

# COVER SHEET

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B D O L E A S I N G A N D F I N A N C E

I N C .

(Company's Full Name)

1 2 A D B A V E N U E , O R T I G A S

C E N T E R M A N D A L U Y O N G C I T Y

1 5 5 0

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

ELMER B. SERRANO

Contact Person

(02) 8687 1195

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

Definitive Information  
Statement  
(SEC FORM 20-IS)

FORM TYPE

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles  
Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

Document I.D.

LCU

Cashier

STAMPS

\Remarks = pls. Use black ink for scanning purposes.

# **NOTICE OF SPECIAL MEETING**

## NOTICE OF SPECIAL STOCKHOLDERS' MEETING

Dear Stockholder:

Please be informed that owing to COVID-19 pandemic, the Special Meeting of the Stockholders ("SSM") of **BDO LEASING AND FINANCE, INC. (the "Corporation")** will be conducted **VIRTUALLY<sup>1</sup>** on **July 21, 2020, Tuesday, at 10:00 a.m.**

The Agenda of the meeting is as follows:

- I. Call to order
- II. Certification of notice of meeting and determination of existence of quorum
- III. Sale of all or substantially all of the assets and liabilities of the Corporation
- IV. Amendment of the First Article of the Corporation's Articles of Incorporation to reflect the change in its corporate name
- V. Amendment of the Second Article of the Corporation's Articles of Incorporation to reflect the change in its primary and secondary purposes
- VI. Amendment of the Third Article of the Corporation's Articles of Incorporation to reflect the change in its principal office address
- VII. Amendment of the Corporation's By-Laws to reflect the change in its corporate name
- VIII. Open Forum
- IX. Other Business that may properly be brought before the meeting
- X. Adjournment

Each agenda item for approval is explained in the Definitive Information Statement ("DIS"), with a brief description in the attached Annex "A".

In the light of the COVID-19 pandemic, the Corporation will not be conducting a physical SSM and stockholders of record as of **July 1, 2020** may attend/participate via proxy and remote communication, and vote *in absentia*.

Stockholders of record who wish to participate in the meeting via remote communication and to cast their votes *in absentia* shall notify the Office of the Corporate Secretary at <bdo\_corporate\_secretary@bdo.com.ph> accordingly, and submit requested supporting documents no later than **July 10, 2020**. For the detailed registration and voting procedures, please visit <[www.bdo.com.ph/leasing/2020SSM](http://www.bdo.com.ph/leasing/2020SSM)> and refer to the "**Guidelines for Participation via Remote Communication and Voting in Absentia**".

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<sup>1</sup> Through remote or electronic means of communication

Stockholders of record who wish to appoint a proxy shall submit their duly executed and signed proxies together with other documentary requirements which are set forth in the "**Guidelines for Participation via Remote Communication and Voting in Absentia**" no later than **July 10, 2020** to the Office of the Corporate Secretary at 14<sup>th</sup> Floor, North Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City via courier delivery **or** by email to <bdo/corporate\_secretary@bdo.com.ph>. Validation of proxies and documentary requirements is set on **July 14, 2020, at 10:00 a.m.** at the 14<sup>th</sup> Floor, North Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City. Stockholders of record may download and print the proxy form from the Corporation's website. <[www.bdo.com.ph/leasing/2020proxyform](http://www.bdo.com.ph/leasing/2020proxyform)>

Successfully registered stockholders can cast their votes and will be provided access to the virtual meeting. All documents and information submitted shall be subject to verification and validation by the Office of the Corporate Secretary.

For complete information on the special meeting, please visit <[www.bdo.com.ph/leasing/2020SSM](http://www.bdo.com.ph/leasing/2020SSM)>

  
JOSEPH JASON M. NATIVIDAD  
Corporate Secretary

## ANNEX "A"

### BRIEF DESCRIPTION OF AGENDA ITEMS

- I. **Call to order.** The Chairperson, Ms. Teresita T. Sy, will formally open the Special Stockholders' Meeting (SSM) of BDO Leasing and Finance, Inc. (the "Corporation").
- II. **Certification of notice of meeting and determination of existence of quorum.** The Corporate Secretary, Atty. Joseph Jason M. Natividad, will certify that the notice requirements for the 2020 SSM have been complied with in accordance with the Corporation's By-Laws, Revised Corporate Code of the Philippines, and the Securities and Exchange Commission (SEC), and will attest whether a quorum is present for the valid transaction of the SSM and all the matters included in the Agenda.
- III. **Sale of all or substantially all of the Corporation's assets and liabilities.** In compliance with law and in line with the Corporation's transition into a holding company, the Board approved, for stockholders' confirmation and approval, the sale of all or substantially all of the Corporation's assets and liabilities to BDO Finance Corporation or any other affiliate as may be designated by BDO Unibank, Inc.
- IV. **Amendment of the First Article of the Corporation's Articles of Incorporation to reflect the change in its corporate name.** The Board approved, for confirmation and approval of stockholders, the change of the Corporation's corporate name from BDO Leasing and Finance, Inc. to "United Platinum Holdings Corporation" to reflect the new business direction of the Corporation, and the corresponding amendment of the First Article of the Corporation's Articles of Incorporation to reflect such change in corporate name.
- V. **Amendment of the Second Article of the Corporation's Articles of Incorporation to reflect the change in its primary and secondary purposes.** The Board approved, for confirmation and approval of stockholders, the amendment of the Second Article of its Articles of Incorporation converting the Corporation from a leasing and financing company into a holding company, thereby amending the primary and secondary corporate purposes of the Corporation.
- VI. **Amendment of the Third Article of the Corporation's Articles of Incorporation to reflect the change in its principal office address.** The Board approved, for confirmation and approval of stockholders, the amendment of the Third Article of the Corporation's Articles of Incorporation to reflect the change in the Corporation's principal office address from No. 12 ADB Avenue, Ortigas Center, Mandaluyong City, Philippines to Unit 1204, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City.
- VII. **Amendment of the Corporation's By-Laws to reflect the change in its corporate name.** The Board approved, for confirmation and approval of stockholders, the change of the Corporation's corporate name from BDO Leasing and Finance, Inc. to "United Platinum Holdings Corporation" to reflect the new business direction of the Corporation, and the corresponding amendment of the Corporation's By-Laws to reflect such change in corporate name.

- VIII. **Open Forum.** Every Stockholder, after identifying himself/herself, may raise any relevant question or express any appropriate comment.
- IX. **Other Business that may properly be brought before the meeting.** All other matters that arise after the Notice of Meeting and Agenda have been sent out, or raised throughout the course of the meeting, and which need to be presented to the stockholders for consideration will be taken up under this item. Stockholders may raise such matters as may be relevant or appropriate to the occasion.
- X. **Adjournment.** After consideration of all business, the Chairperson shall declare the meeting adjourned. This formally ends the Special Stockholders' Meeting of the Corporation.

**BDO LEASING AND FINANCE, INC.**  
**2020 Special Stockholders' Meeting**  
**July 21, 2020**

**P R O X Y**

I/We, the undersigned stockholder/s of **BDO LEASING AND FINANCE, INC. (the "Corporation")**, hereby appoint/s \_\_\_\_\_, or in his/her absence, the Chairman of the meeting, as my/our attorney and proxy, with power of substitution, to represent and vote \_\_\_\_\_ shares registered in my/our name/s, at the Special Meeting of Stockholders of the Corporation on July 21, 2020, and at any of the adjournments thereof, for the purpose of acting on the following matters:

1. Approval of the sale of all or substantially all of the assets of the Corporation  
\_\_\_\_ Yes      \_\_\_\_ No      \_\_\_\_ Abstain
2. Approval of the Amendments of the Articles of Incorporation:
  - a. Change in its corporate name to United Platinum Holdings Corporation and corresponding amendment of First Article  
\_\_\_\_ Yes      \_\_\_\_ No      \_\_\_\_ Abstain
  - b. Change in its primary and secondary purposes and corresponding amendment of Second Article  
\_\_\_\_ Yes      \_\_\_\_ No      \_\_\_\_ Abstain
  - c. Change in its principal office address to Unit 1204 Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City and corresponding amendment of Third Article  
\_\_\_\_ Yes      \_\_\_\_ No      \_\_\_\_ Abstain
3. Approval of the Amendment of the Corporation's By-Laws to reflect the change in its corporate name to United Platinum Holdings Corporation  
\_\_\_\_ Yes      \_\_\_\_ No      \_\_\_\_ Abstain
4. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting  
\_\_\_\_ Yes      \_\_\_\_ No      \_\_\_\_ Abstain

THIS PROXY SHOULD BE RECEIVED BY THE OFFICE OF THE CORPORATE SECRETARY TOGETHER WITH OTHER DOCUMENTARY REQUIREMENTS ON OR BEFORE **July 10, 2020**, FRIDAY, THE DEADLINE FOR SUBMISSION OF PROXIES.

THIS PROXY IS NOT REQUIRED TO BE NOTARIZED, AND WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED 'FOR' THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

THIS PROXY SHALL CONTINUE UNTIL SUCH TIME THAT THE SAME IS WITHDRAWN BY ME/US THROUGH NOTICE IN WRITING DELIVERED TO THE OFFICE OF THE CORPORATE SECRETARY BEFORE THE DATE OF ANY SUCH MEETING OR ADJOURNMENT(S) THEREOF.

AS APPLICABLE, I/WE HEREBY CONSENT TO THE PROCESSING OF MY/OUR PERSONAL INFORMATION FOR PURPOSES OF THE CORPORATION'S SSM.

**IN WITNESS WHEREOF**, I/we have hereunto affixed my/our signature this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ at \_\_\_\_\_.

\_\_\_\_\_  
Printed Name and Signature of Stockholder(s)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

## SAMPLE PROXY FORM FOR CORPORATION

### SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, Filipino, of legal age and with office address at \_\_\_\_\_, do hereby certify that:

1. I am the duly appointed Corporate Secretary of \_\_\_\_\_ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at \_\_\_\_\_;

2. As of record date, the Corporation holds \_\_\_\_\_  
(\_\_\_\_\_) shares in BDO Leasing and Finance, Inc.;

3. Based on records, during the lawfully convened meeting of the Board of Directors of the Corporation held on \_\_\_\_\_, the following resolution was passed and approved:

**"RESOLVED,** That \_\_\_\_\_ be authorized and appointed, as, s/he is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy") to attend all meetings of the stockholders of BDO Leasing and Finance, Inc. ("BDOLF"), whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in BDOLF and to act upon all matters and resolutions that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation.

**RESOLVED, FURTHER,** That BDOLF be furnished with a certified true copy of this resolution and BDOLF may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

4. The foregoing resolution has not been modified, amended or revoked, and is in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have hereunto affixed my signature this \_\_\_\_ day of \_\_\_\_\_, 20\_\_  
at \_\_\_\_\_.

\_\_\_\_\_  
Printed Name and Signature of  
the Corporate Secretary

SUBSCRIBED AND SWORN TO before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, at \_\_\_\_\_, Affiant exhibited to me his/her Competent Evidence of Identity by way of \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_.

NOTARY PUBLIC

Doc. No.  
Page No.  
Book No.  
Series of 2020.

# **DEFINITIVE INFORMATION STATEMENT**

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

☐ **Preliminary Information Statement**

☒ **Definitive Information Statement**

2. Name of Registrant as specified in its charter:

**BDO LEASING AND FINANCE, INC.**

3. Country of Incorporation: **Philippines**

4. SEC Identification Number: **97869**

5. BIR Tax Identification Code: **000-486-050-000**

6. Address of Principal Office: **No. 12 ADB Avenue, Ortigas Avenue  
Ortigas Center, Mandaluyong City 1554**

7. Registrant's Telephone Number, Including Area Code: **(632) 8688-1288**

8. Date, time and place of the special meeting of the security holders:

**Date** - **July 21, 2020 (Tuesday)**

**Time** - **10:00 a.m.**

**Place** - **N/A. The meeting will be conducted virtually and  
participation will be via remote communication.**

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

**on or before July 01, 2020**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

<u>Title of each Class</u>	<u>Subscribed and Outstanding</u>	
	<u>No. of Shares</u>	<u>Amount in Pesos</u>
Common	2,162,475,312	Php 2,162,475,312.00
Total	2,162,475,312	Php 2,162,475,312.00

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

Yes    ☒    No (    )    Philippine Stock Exchange,  
Common Shares only  
(not commercial papers)

<p><b>WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.</b></p>
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**BDO LEASING AND FINANCE, INC.**  
**INFORMATION STATEMENT**

THIS INFORMATION STATEMENT IS BEING FURNISHED TO STOCKHOLDERS OF RECORD OF BDO LEASING AND FINANCE, INC. AS OF **JULY 01, 2020** IN CONNECTION WITH ITS SPECIAL STOCKHOLDERS' MEETING SCHEDULED ON JULY 21, 2020. COPIES OF THE INFORMATION STATEMENT WILL BE FIRST PUBLISHED ON **JUNE 30, 2020**.

**A. GENERAL INFORMATION**

**ITEM 1. DATE, TIME AND PLACE OF SPECIAL MEETING OF SECURITY HOLDERS**

- (a)      Date                   :      **July 21, 2020 (Tuesday)**
- Time                   :      **10:00 a.m.**
- Place                   :      **The meeting will be conducted virtually and participation will be via remote communication.**
- Mailing Address:       **39<sup>th</sup> Floor, BDO Corporate Center Ortigas  
No. 12 ADB Avenue, Ortigas Avenue  
Ortigas Center, Mandaluyong City 1554**
- (b)      Approximate date on which the Information Statement is first to be sent or given to security holders: **July 1, 2020**

**STATEMENT THAT COMPANY NOT SOLICITING PROXIES**

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

**Voting Securities**

The record date for purposes of determining the stockholders of **BDO Leasing and Finance, Inc.** ("BLFI" or the "**Company**") entitled to notice of, and to vote, during the Special Stockholders' Meeting is July 1, 2020 ("**Record Date**"). The total number of shares outstanding and entitled to vote in the meeting is 2,162,475,312 shares (net of 62,693,718 treasury shares).

In light of the community quarantines imposed over various areas of the country and to ensure the safety and welfare of stockholders and everyone involved, this Special Stockholders' Meeting will be conducted virtually, and will be broadcasted via livestreaming accessible to registered stockholders, the details of which can be found in <https://www.bdo.com.ph/leasing/home>. The Company will record the proceedings and maintain a copy with the office of the Corporate Secretary.

The Board of Directors, therefore, in its special meeting held on June 17, 2020, adopted a resolution allowing stockholders to participate, and to exercise their right to vote, via remote communication or *in absentia*. The exercise of stockholder appraisal rights as set forth in Item 2, if ever, may also be done via remote communication.

Stockholders as of Record Date must inform the Corporate Secretary of their intention to participate in the meeting via remote communication and to vote *in absentia* at <bdolf\_corporate\_secretary@bdo.com.ph>, and submit requested supporting documents no later than **July 10, 2020 (Friday)**.

*The detailed guidelines for participation and voting for this meeting are set forth in the “**Guidelines for Participation via Remote Communication and Voting in Absentia**” appended as **Schedule A** to this Information Statement.*

## **ITEM 2. DISSENTER’S RIGHT OF APPRAISAL**

BLFI respects the inherent rights of shareholders in accordance with law. The Company recognizes that all shareholders should be treated fairly and equally whether they are controlling or minority, local or foreign. To ensure this, the By-laws of the Company provides that all shares of each class should carry the same rights, and any changes in the voting rights shall be approved by them.

When a proposed corporate action would involve a substantial and fundamental change in the Company in the cases provided by law, a stockholder may exercise his appraisal rights. Pursuant to Section 80 of the Revised Corporation Code of the Philippines (the “**Corporation Code**”), a stockholder may exercise his appraisal right by dissenting on any of the following corporate actions and demanding payment of the fair value of his shares:

- (1) amendment to the articles of incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or;
- (2) amendment to the articles of incorporation that has the effect of authorizing preferences in any respect superior to those of outstanding shares of any class;
- (3) amendment to the articles of incorporation that either extends or shortens the term of corporate existence;
- (4) in case of lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
- (5) in case of merger or consolidation; or
- (6) in case of investment of corporate funds for any purpose other than the primary purpose of the Company.

**For this special meeting, stockholders may exercise their appraisal right with respect to the following agenda items for approval by stockholders of the Company:**

- 1. Sale of all or substantially all of the assets and liabilities of the Company;**
- 2. Amendment of the First Article of the Company’s Articles of Incorporation to reflect the change in its corporate name;**
- 3. Amendment of the Second Article of the Company’s Articles of Incorporation to reflect the change in its primary and secondary purposes;**
- 4. Amendment of the Third Article of the Company’s Articles of Incorporation to reflect the change in its principal office address; and**
- 5. Amendment of the Company’s By-laws to reflect the change in its corporate name.**

The above items are discussed in detail in Item 13 and Item 17.

The procedure for the exercise of a stockholder's appraisal right is as follows:

- (1) A stockholder shall have dissented to such corporate action by submitting his ballot voting against any of the above items to the Office of the Corporate Secretary, 14<sup>th</sup> Floor, North Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City or by sending an email to [bdolf\\_corporate\\_secretary@bdo.com.ph](mailto:bdolf_corporate_secretary@bdo.com.ph) registering his dissent by the end of voting period on July 16, 2020 or five (5) days before the Special Stockholders' Meeting (see Voting Procedure on page 15 of this DIS);
- (2) Within thirty (30) days after the date on which the vote was taken, the dissenting stockholder shall make a written demand on the Company for payment of the fair value of his shares. Stockholders may submit electronic copies of this written demand to [bdolf\\_corporate\\_secretary@bdo.com.ph](mailto:bdolf_corporate_secretary@bdo.com.ph) or courier the correspondence to the Office of the Corporate Secretary, 14<sup>th</sup> Floor, North Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City duly signed by the stockholder in both cases.

Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

- (3) Within ten (10) days after demanding payment for his shares, the dissenting stockholder shall submit to the Company the certificate(s) of stock representing his shares for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Company, terminate his appraisal rights.
- (4) No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Company consents thereto.
- (5) If the corporate action is implemented or effected, the Company shall pay to such dissenting stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of a merger if such be the corporate action involved.
- (6) If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the dissenting stockholder and the Company cannot agree on the fair value of the shares, it shall be appraised and determined by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the two (2) thus chosen.
- (7) The findings of a 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. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.
- (8) Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

### **ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON**

- (a) No director or officer of the Company since the beginning of the last fiscal year has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon at the meeting.

- (b) No director of the Company has informed it in writing that he intends to oppose any action to be taken by the Company at the meeting.

## B. CONTROL AND COMPENSATION INFORMATION

### ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

- (a) Voting securities entitled to be voted at the meeting:

Title of Each Class	Number of Shares	Number of Votes Outstanding
Common Shares	2,162,475,312	One (1) vote per share

- (b) Record date

Only stockholders of record in the books of the Company as of the close of business on July 01, 2020 are entitled to notice of, and to vote at, the special meeting.

- (c) Cumulative voting rights

No action will be taken with respect to the election of directors which calls for the exercise of cumulative voting rights by stockholders.

- (d) Security ownership of certain record and beneficial owners and management:

#### 1. Security ownership of certain record/beneficial owners

As of May 31, 2020, the following are known to the Company to be directly or indirectly the record and/or beneficial owners of more than 5% of the Company's voting securities:

Title of class	Name and Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percentage
Common	BDO Unibank, Inc. together with its wholly-owned subsidiary BDO Capital & Investment Corporation BDO Corporate Center, 7899 Makati Avenue, Makati City <b><i>BDO Unibank, Inc. is the parent company of BLFI.</i></b>	Record and beneficial (affiliate and majority stockholder)	Filipino	1,914,711,807	88.54%
Common	PCD Nominee Corp. ("PCD") 29 <sup>th</sup> Floor BDO Equitable Tower 8751 Paseo de Roxas, Makati City 1226 <b><i>PCD has no relationship with the BLFI except as a stockholder. PCD, being a nominee corporation, only holds legal title, not beneficial ownership of the lodged shares.</i></b>	Various stockholders No stockholder owns more than 5% of the Company's voting securities through PCD	Filipino  Non-Filipino	247,613,423  600,821	11.45%  0.03%

The persons authorized to vote the shares of BDO Unibank, Inc. (“**BDO Unibank**”) are Ms. Teresita T. Sy and Mr. Nestor V. Tan.

As of May 31, 2020, the following stockholders own more than 5% of BDO Unibank:

Title of Class	Name & Address of Record Owner	Citizenship	Number of BDO Shares Held	Percentage
Common and Preferred	<b>SM Investments Corporation</b> 10th Floor, One E-com Center, Harbour Drive, Mall of Asia Complex, CBP-I-A, Pasay City	Filipino	1,910,780,649*	39.01%
Common	<b>PCD Nominee Corp. (Non-Filipino)</b> 29 <sup>th</sup> Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226	Foreign	1,220,073,806	24.91%
Common and Preferred	<b>Sybase Equity Investments Corporation</b> 10 <sup>th</sup> Floor L.V. Locsin Building 6752 Ayala Avenue, Makati City	Filipino	631,410,292*	12.90%
Common	<b>PCD Nominee Corp. (Filipino)</b> 29 <sup>th</sup> Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226	Filipino	638,599,914**	13.04%
Common	<b>Multi-Realty Development Corporation</b> 10 <sup>th</sup> Floor L.V. Locsin Building 6752 Ayala Avenue, Makati City	Filipino	291,513,036*	5.95%
<b>TOTAL (COMMON &amp; PREFERRED)</b>			<b>4,692,377,697</b>	<b>95.81%</b>

\* Inclusive of PCD-lodged shares

\*\* Exclusive of PCD-lodged shares of SM Investments Corporation, Multi-Realty Development Corporation and Sybase Equity Investments Corporation

There are no voting trust shares or shares issued pursuant to a Voting Trust Agreement registered with the Company nor has there been any change in control of the Company.

## 2. Security ownership of Management

As of May 31, 2020, the total number of shares owned by the directors and Management of the Company as a group is 107,375 common shares, which is equivalent to 0.0049651% of the total outstanding common shares of the Company. The Company’s directors and officers own the following Common Shares:

Title of Class	Name of Beneficial Owner	Position	Citizenship	No. of Shares	Percentage
Common	<b>Teresita T. Sy</b> Chairperson	Chairperson	Filipino	100 (R)	0.0000046%
Common	<b>Roberto E. Lapid</b> Vice Chairman & President	Vice-Chairman & President	Filipino	100 (R)	0.0000046%
Common	<b>Jesse H.T. Andres</b>	Independent Director	Filipino	100 (R)	0.0000046%
Common	<b>Antonio N. Cotoco</b>	Director	Filipino	115 (R)	0.0000053%
Common	<b>Ma. Leonora V. De Jesus</b>	Independent Director	Filipino	100 (R)	0.0000046%
Common	<b>Jeci A. Lapus</b>	Director	Filipino	100 (R)	0.0000046%
Common	<b>Vicente S. Pérez, Jr.</b>	Independent Director	Filipino	100 (R)	0.0000046%

Common	<b>Luis S. Reyes Jr.</b>	Director	Filipino	100 (R)	0.0000046%
Common	<b>Nestor V. Tan</b>	Director	Filipino	100 (R)	0.0000046%
Common	<b>Exequiel P. Villacorta, Jr.</b>	Director	Filipino	100 (R)	0.0000046%
Common	<b>Walter C. Wassmer</b>	Director	Filipino	100 (R)	0.0000046%
Common	<b>Rosario C. Crisostomo</b>	Vice President	Filipino	106,260 (R)	0.0049138%
	<b>Total</b>			<b>107,375</b>	<b>0.0049651%</b>

Directors and officers of the Company are required to report to the Company any acquisition or disposition of the Company's shares within three (3) business days from the date of the transaction. As prescribed by the Disclosure Rules of the PSE, the Company shall disclose to the PSE any acquisition or disposition of its shares by its directors and officers within five (5) trading days from the transaction. Under Section 23 of the Securities Regulation Code ("**SRC**"), the Company shall likewise disclose to SEC within ten (10) days after the close of each calendar month thereafter, if there has been a change in such ownership of shares by directors and officers at the close of the calendar month and such changes in his ownership as have occurred during such calendar month.

### 3. Voting Trust

There are no voting trust shares or shares issued pursuant to a Voting Trust Agreement registered with the Company.

### 4. Changes in Control

There has been no change in control of the Company since the beginning of the last fiscal year to date.

As disclosed, however, BDO Unibank and its subsidiary BDO Capital & Investment Corporation ("**BDO Group**") agreed to sell to third party Buyers their entire shareholding in the Company, or a total of 1,914,711,807 1,513,732,718 shares, representing 88.54% of the total issued and outstanding capital stock of the Company in a Share Purchase Agreement dated January 24, 2020 ("**SPA**").

The Buyers agreed to buy 1,513,732,718 shares representing 70% of BLFI and to procure third party buyers to purchase BDO Group's remaining 400,979,089 shares, equivalent to 18.54% of the Company. The breakdown of the number of shares to be purchased by the Buyers and third party buyers is as follows: Victor Y. Lim, Jr. - 86,499,012 common shares (4%), Vittorio P. Lim - 713,616,853 common shares (33%), Luis N. Yu, Jr. - 713,616,853 common shares (33%) and third party buyers - 400,979,089 common shares (18.54%), each of whom is anticipated to be holding less than 5% of the outstanding capital stock of the Company.

The transaction is subject to the following closing conditions under the SPA:

- Transfer to the BDO Group on an arms' length basis of the leasing and financing business of BLFI;
- Approval of the transaction or confirmation of non-coverage by the Philippine Competition Commission;
- Securing the approval by the Board of Directors and stockholders of the amendment of the Company's Articles of Incorporation and By-laws to reflect the change in name and corporate purpose of the Company from a leasing and financing company to a holding company, as well as the change in principal office address; and
- Completion by the Buyers of a Mandatory Tender Offer in compliance with the SRC and its Implementing Rules and Regulations.

The sale of controlling stake in the Company will not proceed without the parties complying with the above closing conditions.

#### **ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS**

No action will be taken with respect to the election of directors.

##### *Involvement of Directors and Executive Officers in Certain Legal Proceedings*

To the Company's knowledge, none of its directors or executive officers is named or is involved in any legal proceeding during the last five (5) years up to May 31, 2020, which will have any material effect on the Company, its operations, reputation, or financial condition.

Specifically, to the Company's knowledge, none of its directors and senior executives have been subject of the following legal proceedings during the last five (5) years:

- i. bankruptcy petition by or against any business of which such director or senior executive was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time;
- ii. a conviction by final judgment, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign;
- iii. to 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 his involvement in any type of business, securities, commodities or banking activities;
- iv. being 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 the securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

##### *Certain Relationships and Related Transactions*

The Company has adopted a comprehensive and extensive policy for its related party transactions in compliance with the regulatory requirements of not only the SEC, but also of the BSP, the Company being majority-owned by a bank. Pursuant to the SEC Memorandum Circular No. 10, series of 2019 (Rules on Material Related Party Transactions for Publicly-Listed Companies), the Company adopted a **Material Related Party Transactions Policy** on October 2019. A copy of the Policy is available in the Company's website.

Related Parties broadly refer to the following: Directors, Officers, Stockholders, Related Interest (DOSRI) as defined under regulations, Subsidiaries, Affiliates and Other Related Parties acting for themselves, as representatives or agents for others, or as guarantors, sureties, endorser, mortgagors, pledgers, assignors, or in any capacity in which (i) they become obligated or may be obligated to the Company and to its subsidiary BDO Rental to pay or its equivalent or by any means whatsoever or (ii) there is a transfer of resources, services or obligations between the Company and its subsidiary and the Related Party. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

In the ordinary course of business, the the Company and its subsidiary BDO Rental enter into transactions with BDO Unibank and other affiliates. These transactions are made substantially on the same terms as with other individuals and businesses of comparable risks.

Policies and procedures have been put in place to manage potential conflicts of interests arising from related party transactions. Single and aggregated material related party transactions follow strict approval process. The Company's Related Party Transactions Committee composed of independent and non-executive directors, reviews and scrutinizes the terms and conditions of covered transactions to ensure that these are made on an arms-length basis, that no preferential treatment is accorded, and they are negotiated as a regular business transaction in accordance with regulations. These transactions are then elevated to the Company's Board of Directors for confirmation and approval. Directors and officers who have interest in the transactions abstain from participating in the discussion. The details of the deliberations are included in the minutes of the Board and Board Committee meetings. Approved related party transactions are then properly tagged for monitoring and reporting of exposures.

The Company discloses details of material related party transactions in its Annual Stockholders' Meeting and in its Annual Report, and likewise submits advisement reports thereof to regulators as necessary.

As disclosed, the Company's Board of Directors has approved, for confirmation of the stockholders during the meeting, the transfer of the Company's assets to BDO Unibank and other affiliates. The Company, consistent with its Material Related Party Transactions Policy, shall refer transactons breaching materiality thresholds to an external independent third party for evaluation, to ensure that the disposition of assets are made on an arms' length basis. These third party consultants may include accredited indepedent auditing/accounting and appraisal firms which will be engaged by the Company upon stockholder approval of the asset transfer.

**The consideration for the transfer of assets will at least be equal to the book value of these assets and on arms' length terms.**

The transfer of assets is part of the restructuring of the leasing business of the BDO Group which is being undertaken to optimize the financial needs of clients in light of new accounting regulations covering lease transactions.

#### *Other Information*

On 13 February 2020, the Securities and Exchange Commission (SEC) issued an Order of Suspension against the Company suspending its Registration Statement as a listed company, the lifting of which is subject to the submission of an Amended Registration Statement (the Order).

The Order was issued in light of the Share Purchase Agreement dated 24 January 2020 entered into by BDO Unibank, Inc. to sell its controlling stake in the Company to third parties and the subsequent amendment of the Company's primary business to a holding company. On this basis, the SEC ruled that the Company's Registration Statement as a leasing and financing company was no longer true and accurate. Hence, the SEC ordered the suspension and required the filing of an Amended Registration Statement.

The Company has sought reconsideration and engaged the SEC on this matter. The Company believes that there are no sufficient grounds for the suspension of its Registration Statement. Both the Company and BDO Unibank, Inc. have consistently been upfront and have made full, timely and fair disclosures regarding this transaction and all the steps leading to it. Further, the protection of minority shareholders has always been considered by the Company. In particular, minority shareholders are vested with appraisal rights and the Mandatory Tender Offer will allow them to sell their shares at a premium. The Company will continue to update its stockholders and the market on the development of its discussions with the SEC.

The Company's Request for Reconsideration of the Suspension Order and the requirement for the amendment of the Registration Statement is pending resolution with the SEC.

**ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

No action will be taken with respect to the compensation of directors and executive officers.

**ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS**

No action will be taken with respect to the election, approval or ratification of the Company's accountant.

**ITEM 8. COMPENSATION PLANS**

No action will be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

**C. ISSUANCE AND EXCHANGE OF SECURITIES**

**ITEM 9. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE**

No action will be presented for shareholders' approval at this special meeting which involves authorization or issuance of any securities.

**ITEM 10. MODIFICATION OR EXCHANGE OF SECURITIES**

No action will be presented for shareholders' approval at this special meeting which involves the modification of any class of the Company's securities, or the issuance of one class of the Company's securities in exchange for outstanding securities of another class.

**ITEM 11. FINANCIAL AND OTHER INFORMATION**

Representatives of the Company's external auditor, Punongbayan & Araullo, are expected to be present at the special meeting, and 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 from the shareholders.

**ITEM 12. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS**

While the Company's Board of Directors approved the disposition of all or substantially all of the Company's assets and liabilities, no security of another corporation or issuer will be acquired by the Company in exchange for such sale. The disposition of all or substantially all of the assets of the Company are discussed in detail in Item 13.

**ITEM 13. ACQUISITION OR DISPOSITION OF PROPERTY**

On January 31, 2020, the Company's Board of Directors approved the disposition of all or substantially all of the Company's assets and liabilities on an arm's length basis to BDO Finance Corporation ("BDOFC") or any other affiliate as may be designated by BDO Unibank. Assets for transfer include the finance and leasing assets of the Company, its loan receivables and other related assets.

***The consideration for the transfer of assets and liabilities of the Company will at least be equal to the book value of these assets and on arms' length terms.***

As of 31 May 2020 the Company assets proposed to be transferred to BDO Group amount to a net book value of P25.3B, consisting of the following: investment securities or near cash financial assets of P2.1B, net loans and other receivables of P22.4B, net property, plant and equipment of P28.4M, net investment properties of P174M and net other assets of P673M, specifically described below:

Financial Assets at Fair Value through Other Comprehensive Income (OCI)	<b>2,090,343,240.21</b>
Loans & Other Receivables - net	
Finance Lease Receivables	13,081,543,032.38
Loans and Receivables Financed	9,751,493,297.60
Other Receivables	260,248,200.75
Allowance for loan losses	(740,576,381.97)
	<b>22,352,708,148.76</b>
Property, Plant and Equipment - net	<b>28,395,850.56</b>
Investment Properties - net	<b>173,538,851.50</b>
Other Assets - net	<b>672,468,754.26</b>
Total	<b>25,317,454,845.29</b>

The latest detailed list of the Company assets and liabilities, specifying those assets and liabilities proposed to be transferred to the BDO Group and which transfers are subject to the approval by the stockholders during the special meeting, is here attached as **Schedule "B"**.

Independent third-party valuers or appraisers will determine the fairness of the consideration for the sale of specific assets and liabilities to the BDO Group as may be required under regulations.

The Company is finalizing arrangements with prospective accredited auditing or accounting firms, as the evaluation of material related party transactions on the asset transfer will commence upon approval by the stockholders of the sale of all or substantially all of the Company's assets during the special meeting.

Upon compliance with approval processes under the respective Material Related Party Transactions Policies of the Company and the BDO Group, the transfers shall be implemented in an above board process and on arms' length terms by way of assignment of rights, titles, and interests over related assets and liabilities primarily to BDOFC. Deeds of Assignment of Rights, Deeds of Absolute Sale, and other implementing documents, as necessary, shall be executed to effect and process the transfer with relevant regulatory agencies such as the Bureau of Internal Revenue and the Register of Deeds. The Company and its counterparties are still in the process of preparing and finalizing the contracts, particularly the commercial terms for the transfers, in strict compliance with Material Related Party Transactions Policy requirements.

Stockholders can dissent to the sale of all or substantially all of the assets of the Company and can opt to exercise their appraisal right as provided for in Item 2.

#### **ITEM 14. RESTATEMENT OF ACCOUNTS**

No action will be presented for shareholders' approval at this special meeting which involves the restatement

of any of the Company's assets, capital or surplus account.

#### **D. OTHER MATTERS**

##### **ITEM 15. ACTION WITH RESPECT TO REPORTS**

There is no action to be taken with respect to any report of the Company or of its directors, officers or committees.

##### **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 17. AMENDMENTS OF CHARTER, BY-LAWS OR OTHER DOCUMENTS**

Stockholders have the right to approve or disapprove any proposed amendment to the Articles of Incorporation and By-laws of the Company. Dissenting stockholders may exercise their appraisal rights as set forth in Item 2.

The Board of Directors approved the following amendments:

1. Amendment of the First Article of Company's Articles of Incorporation and By-laws to reflect the change in its corporate name from BDO Leasing and Finance, Inc. to **"United Platinum Holdings Corporation"**;
2. Amendment of the Second Article of the Company's Articles of Incorporation to reflect the change in its primary and secondary purposes from a leasing and financing company to that of a holding company, as follows:

#### **PRIMARY**

To invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized and to pay therefor in money or by exchanging shares of stock of this corporation or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts, or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property; and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned; to carry on and manage the general business of any company.

#### **SECONDARY**

1. To borrow or raise money from not more than nineteen (19) lenders, including stockholders, necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidence of indebtedness, and to secure the repayment by mortgage, pledge, deed of trust or lien upon the properties of the Corporation or to issue, pursuant to law, shares of its capital stock, debentures and other evidence of indebtedness in payment for properties acquired by the Corporation or for money borrowed in the prosecution of its lawful activities;
2. To invest and deal with the money and properties of the Corporation in such manner as may, from time to time, be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the Corporation or any part thereof, for such consideration and under such terms as it shall see fit to accept;
3. To aid, in any manner, any corporation, association, or trust estate, domestic or foreign, or any firm or individual, in which any shares of stocks, bonds, debentures, notes, securities and evidence of indebtedness, contracts or obligations of which are held by or for the Corporation, directly or indirectly or through other corporations or otherwise;
4. To enter into any lawful arrangement for sharing profits, union of interest, unitization or farm-out agreement, reciprocal concession, or cooperation, with any corporation, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, in the carrying on of any business or transaction deemed necessary, convenient or incidental to carrying out any of the purpose of the Corporation;
5. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company, partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concessions as may be conducive to any of the objects of the Corporation;
6. To assume or undertake or guarantee or secure, whether as solidary obligor, surety or guarantor or in any other capacity and either on its general credit or on the mortgage or pledge of any of its property, the whole or any part of the liabilities and obligations of any of its stockholders, subsidiaries or affiliates or any person firm association or corporation, whether domestic or foreign and whether a going concern or not engaging in or previously engaged in a business which the Corporation is or may become authorized to carry on or which may be appropriate or suitable for the purposes of the Corporation.
7. To establish and operate one or more branch offices or agencies, and to carry on any or all of its operations and business without any restrictions as to place or amount, including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge and convey or otherwise deal in and with real and personal property anywhere within the Philippines; and

8. To conduct and transact any and all lawful activities, and to do or cause to be done, any one or more of the acts and things herein enumerated, or which shall at any time appear conducive to, or expedient for, the protection or benefit of the Corporation.
3. Amendment of the Third Article of the Company's Articles of Incorporation to reflect the change in its principal office address from No. 12 ADB Avenue, Ortigas Avenue, Ortigas Center, Mandaluyong City 1554 to Unit 1204, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City.

These proposed amendments require the vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Company, without prejudice to the appraisal right of dissenting stockholders. The proposed amendments will be presented for stockholder approval during the Special Stockholders' Meeting.

These amendments will effectively restructure the Company into a holding company. Following the effectivity of IFRS 16, the Company foresees a decline in the volume of leasing transactions and, as a result, a decline in revenue and income from the leasing and financing business. The Company has thus approved the transition into a holding company in order to afford the Company flexibility to pursue more financially viable businesses.

Following the amendments, the Company is seen to have more flexibility in pursuing business opportunities which will enhance shareholder value for all shareholders, including the minority shareholders, who will opt to remain as stockholders of the Company.

***As discussed in Item 13, the consideration for the transfer of assets of the Company will at least be equal to the book value of these assets and on arms' length terms which will in turn reflect the fair market value of their shares in the Company.***

#### **ITEM 18. OTHER PROPOSED ACTION**

Other than the matters indicated in the Notice and Agenda included in this Information Statement, there are no other actions proposed to be taken at the special meeting.

#### **ITEM 19. VOTING PROCEDURES**

Matters subject to stockholder approval, except in cases where the law provides otherwise, shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote, a quorum being present in such meeting. Each stockholder entitled to vote may cast the vote to which the number of shares he owns entitles him.

Matters presented to stockholders for approval at this Special Stockholders' Meeting, except for the amendment of Company's By-laws which require only a majority, require the vote of stockholders owning at least 2/3 of the total outstanding and issued capital stock of the Company in accordance with the Revised Corporation Code of the Philippines.

The Board of Directors in its special meeting held on June 17, 2020 adopted a resolution allowing stockholders to vote *in absentia* for this meeting. The exercise of stockholder appraisal rights as set forth in Item 2, if ever, shall also be done via remote communication.

Stockholders and proxy holders can then cast their votes on specific matters for approval by email by sending his ballot reflecting his votes to <bldolf\_corporate\_secretary@bdo.com.ph. Votes will then be

tabulated and counted at the close of voting period and the results shall be announced during the meeting. The Corporate Secretary will be primarily 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 this Special Stockholders' Meeting. P&A Grant Thornton (P&A) was also specifically engaged for this special meeting as third-party tabulator.

P&A and BDO Securities Operations-Transaction Banking Group, the Company's stock transfer agent, will be present during the meeting.

*The detailed guidelines for participation and voting for this meeting are set forth in the “**Guidelines for Participation via Remote Communication and Voting in Absentia**” appended as **Schedule A** to this Information Statement.*

*[This space was intentionally left blank]*

E. 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 the City of Makati on 23 June 2020.

**BDO LEASING AND FINANCE, INC.**

By:



**JOSEPH JASON M. NATIVIDAD**

Corporate Secretary

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis or Plan of Operation

### March 2020 Compared to March 2019

The company registered P83.3 million in net income for the quarter ending March 2020.

Gross revenues amounted to P696.1 million, a decrease of 12% from P795.0 million last year. This was due to the lower levels of loans and receivables financed compared to the first quarter of 2019.

Interest and financing charges went down by 52% to P211 million due primarily to the reduced level of bills payable as well as the decrease in funding costs under the current interest rate environment.

The company set aside P29.0 million as provision for credit and impairment losses, as determined under the latest risk evaluation model following PFRS 9 standards and requirements.

Occupancy and equipment related expenses decreased 23% to P10.1 million. Depreciation Expense-Operating Lease went down 10% to P178.1 million due to the maturity of various Operating Leases.

Litigation/assets acquired expenses increased 155% to P5.1 million.

Total assets declined 24% year-on-year to P29.0 billion, mainly due to matured investments and sale of a portion of the company's lower yielding portfolio. This was meant to mitigate the impact of the margin compression as the company's liabilities, which are short-term in nature, adjusted immediately to the rise in interest rates as compared to its lease receivables, which typically carry fixed interest rates for 3-5 years. As a result of this mitigation strategy, the company's Loans and Other Receivables decreased 26%. In March 2020, Property, Plant and Equipment-net also decreased 19% or P395.8 million.

Cash & cash equivalents went up by 29% or P74.5 million. Financial Asset at Fair Value through Other Comprehensive Income went down 15% to P3.1 billion due to matured investments.

Net investment properties went up to P399.7 million from P361.4million.

Other Assets decreased year-on-year to P692.5 million from P378.9 million mainly due to the sale of the company's stake in MMPC Auto Financial Services Corp.

Bills Payable decreased to P18.3 billion consistent with the decline in Loans & Other Receivables.

Accounts Payable, accrued expenses and other liabilities decreased to P412.8 million year-on-year mainly due to a decrease in outstanding check payments to supplier/dealers.

Lease deposits went down from P5.9 billion in March 2019 to P4.6 billion, consistent with decline in volumes.

Stockholders' equity was steady at P5.6 billion.

The Company's five (5) key performance indicators are as follows:

	March 2020	March 2019
Current Ratio	0.28:1	0.42:1
Quick asset ratio	0.27:1	0.41:1
Debt to Equity Ratio	4.13:1	6.02:1
Net Profit Margin	11.97%	-3.03%
Return on Equity	6.02%	-1.81%

Formulas used:

Current ratio	= Current Assets over Current Liabilities
Quick assets ratio	= Quick assets over Current Liabilities
Debt to equity	= Total Liabilities over Total Stockholders' Equity
Net profit margin	= Net income over Gross Revenues
Return on ave. equity	= Annualized Net income over Ave. Stockholders' Equity

## **2019 Compared to 2018**

Gross income for the year ended December 31, 2019 was P3,031.9 million, a decrease of P183.6 million, or 5.7% from P3,215.5 million in 2018. Interest and discounts for the year ended December 31, 2019 were P1,984.5 million, up by P17.4 million or 0.9% from P1,967.1 million in 2018. Rent Income for the year decreased to P844.6 million, a decline of P93.7 million or 10% from P938.3 million in 2018 due to the implementation of PFRS 16 in 2019. The Company's leasing and financing portfolio as of December 31, 2019 was at P24.78 billion.

Interest and financing charges for 2019 amounted to P1,399.2 million, consisting mainly of finance charges from borrowings of P1,389.3 million, interest expense on lease deposits of P7.7 million and interest expense on lease liability of P2.2. The increase of P224.7 million in financing charges is attributed to the increase in borrowing rate in 2019. Interest expense on leased deposits in 2019 amounted to P7.7 million or an increase of P2.1M from 2018's P5.6 million. Interest expense on lease liability amounting P2.2 arises from the implementation of PFRS 16.

Total provision for impairment losses increased from P1.0 million in 2018 to P63.2 million in 2019. This was due to the higher NPL as of the end of 2019. Accounts written off in 2019 amounted to P19.6 million.

Taxes and licenses amounted to P309.5 million for the year ended December 31, 2019, a decline of P35.7 million, or 10.3% from the P345.2 million reported for the year ended December 31, 2018. The decrease was attributable to lower levels of Bills Payable in 2019.

Salaries and employee benefits expense amounted to P244.2 million in 2019 as compared to P235.7 million in 2018. Occupancy and equipment related expenses for the year ended December 31, 2018 amounted to P811.9 million, a decrease of P99.9 million, or 11% from December 2018's P911.8 million.

Litigation/assets acquired expenses amounted to P12.4 million in 2019, a slight decrease of P1.9 million from P14.3 million in 2018.

Other expenses decreased slightly to P111.1 million in 2019 as compared to P117.0 million in 2018.

The Company registered a net income of P46.8 million for the year ended December 31, 2019.

Total assets amounted to P30.9 billion in December 31, 2019, a decrease of P10.6 billion from P41.5 billion as of December 2018. Financial assets at fair value through OCI (FVOCI) decreased from P3.6 last year to P3.2 billion this year due to investment maturities. Leasing and Financing portfolio amounted to P25.2 billion in 2019 from P34.6 billion in 2018, a decrease of P9.4 billion due to sale of part of the company's lower yielding portfolio. Property and Equipment-net amounted to P1.9 billion as of 2019, a decrease from last year's P2.3 billion. Investment properties-net slightly increased to P393.8 million. Other assets amounted to P381.9 million in 2019 mainly due to sale of the company's investment in an associate, MMPC Auto Financial Services Corporation.

Income tax payable, accounts payable, and other liabilities decreased to P459.6 million from P587.1 million last year.

Lease deposits, amounting to P4.74 billion in 2019, decreased by P1.9 billion or 28.6% from last

year's P6.63 billion consistent with the decline in volumes.

Stockholders' equity increased by P271.3 million or 5.1%.

The Company's five (5) key performance indicators are as follows:

	<u>December 2019</u>	<u>December 2018</u>
Current Ratio	0.36:1	0.42:1
Quick asset ratio	0.36:1	0.41:1
Debt to Equity Ratio	4.51:1	6.77:1
Net Profit Margin	1.54%	10.29%
Return on Equity	0.85%	6.13%

The Current Ratio (computed as current assets divided by current liabilities) and Quick Asset Ratio (quick asset divided by current liabilities) decrease from last year's 0.42:1 and 0.41:1, respectively. Debt to equity ratio, computed as total liabilities divided by total equity, decreased from 6.77:1 in 2018 to 4.51:1 in 2019. Net Profit Margin which is computed as net income over gross revenue, declined due to higher operating expenses. Return on Equity, which is net income over average equity, declined to 0.85% in 2019.

## **2018 Compared to 2017**

Gross income for the year ended December 31, 2018 was P3,215.5 million, an increase of P59.0 million, or 1.9% from P3,156.5 million in 2017. Interest and discounts for the year ended December 31, 2018 were P1,967.1 million, up by P48.8 million or 2.5% from P1,918.3 million in 2017. Rent Income for the year stood at P938.3 million, an increase of P16.1 million or 1.7% from P922.2 million in 2017. The Company's leasing and financing portfolio as of December 31, 2018 was at P34.55 billion.

Interest and financing charges for 2018 amounted to P1,170.2 million, consisting mainly of finance charges from borrowings of P1,164.6 million and interest expense on lease deposits of P5.6 million. The increase of P320.1 million in financing charges is attributed to the increase in borrowing rate in 2018. Interest expense on leased deposits in 2018 amounted to P5.6 million or an increase of P1.7M from 2017's P3.9 million.

Total provision for impairment losses decreased from P63.5 million in 2017 to P1.0 million in 2018. This was due to the implementation of PFRS 9. Accounts written off in 2018 amounted to P0.3 million.

Taxes and licenses amounted to P345.2 million for the year ended December 31, 2018, an increase of P74.3 million, or 27.5% from the P270.8 million reported for the year ended December 31, 2017. The increase was mainly the result of higher Documentary Stamp Taxes in 2018 vis a vis 2017, attributed to the implementation of the TRAIN law.

Salaries and employee benefits expense amounted to P235.7 in 2018 as compared to P227.0 million in 2017. Occupancy and equipment related expenses for the year ended December 31, 2018 amounted to P911.8 million, an increase of P46.4 million, or 5.4% from December 2017's P865.4 million.

Litigation/assets acquired expenses amounted to P14.3 million in 2018, a decrease by P27.3 million from P41.6 million in 2017.

Other expenses decreased slightly to P117.0 million in 2018 as compared to P120.5 million in 2017.

The Company registered a net income of P330.7 million for the year ended December 31, 2018.

Total assets amounted to P41.5 billion in December 31, 2018, a decrease of P1.3 billion from P42.8 billion as of December 2017. Following PFRS 9, Available-for-sale securities (AFS) were reclassified to

Financial assets at fair value through OCI (FVOCI) in 2018. FVOCI decreased from P3.52 billion (AFS) last year to P3.6 billion this year due to investment maturities. Leasing and Financing portfolio amounted to P34.6 billion. Property and Equipment-net amounted to P2.24 billion as of 2018, a slight decrease from last year's P2.26 billion. Investment properties-net slightly increased to P354.5. Other assets amounted to P711.7 million in 2018.

Income tax payable, accounts payable, and other liabilities decreased to P587.1 million from P932.4 million last year.

Lease deposits, amounting to P6.63 billion in 2018, increased by P643.7 million or 10.7% from last year's P5.99 billion.

Stockholders' equity decreased by P99.3 million or 1.8%.

The Company's five (5) key performance indicators are as follows:

	<b>December 2018</b>	<b>December 2017</b>
Current Ratio	0.42:1	0.38:1
Quick asset ratio	0.41:1	0.37:1
Debt to Equity Ratio	6.77:1	6.87:1
Net Profit Margin	10.29%	18.08%
Return on Equity	6.13%	10.57%

The Current Ratio (computed as current assets divided by current liabilities) and Quick Asset Ratio (quick asset divided by current liabilities) decrease from last year's 0.38:1 and 0.37:1, respectively. Debt to equity ratio, computed as total liabilities divided by total equity, decreased from 6.87:1 in 2017 to 6.77:1 in 2018. Net Profit Margin which is computed as net income over gross revenue, declined due to higher operating expenses. Return on Equity, which is net income over average equity, declined to 6.13% in 2018.

### **Key Variable and Other Qualitative and Quantitative Factors**

During the reporting period ending March 30, 2020, there are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created. There are also no significant elements of income or loss that did not arise from the Company's continuing operations. There are no seasonal aspects that had a material effect on the financial condition or results of operations.

The COVID-19 Pandemic has brought unprecedented challenges and the recovery of the financial sector from the pandemic is slow. Although the baseline activity of the Company for the year 2020 relative to pre-Covid 19 levels show a potential decline by approximately 50%, this will not have any material impact on the Company's liquidity. Furthermore, this will not trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

### **Market Information**

The principal market for the Company's common equity is The Philippine Stock Exchange, Inc. ("PSE").

The market prices of the Company's share are as follows:

2020	High	Low	2019	High	Low
January 24, 2020 (Last trading date)	3.35	3.00	1 <sup>st</sup> quarter	2.29	2.22
			2 <sup>nd</sup> quarter	2.42	2.32
			3 <sup>rd</sup> quarter	2.02	2.00
			4 <sup>th</sup> quarter	2.02	1.84
2018	High	Low	2017	High	Low
1 <sup>st</sup> quarter	3.21	2.23	1 <sup>st</sup> quarter	3.96	3.95
2 <sup>nd</sup> quarter	2.84	2.83	2 <sup>nd</sup> quarter	4.05	3.90
3 <sup>rd</sup> quarter	2.58	2.57	3 <sup>rd</sup> quarter	4.08	4.05
4 <sup>th</sup> quarter	2.20	2.19	4 <sup>th</sup> quarter	3.89	3.78

As at January 24, 2020 and December 27, 2019, the closing price of the Company's share were at P3.16 and P1.87, respectively.

Total number of stockholders as of May 31, 2020 was one thousand one hundred four (1,104) and as of December 31, 2019 was one thousand one hundred six (1,106). Common shares outstanding as of May 31, 2020 and December 31, 2019 totaled 2,162,475,312.

## Holders

The Company's common stockholders with their respective shareholdings as of May 31, 2020 are as follows:

<u>Name</u>	<u>No. of Shares Held</u>	<u>% to Total</u>
BDO Unibank, Inc.* <sup>□</sup>	1,914,711,807	88.542597%
Various Stockholders	<u>247,763,505</u>	<u>11.457403%</u>
	<u>2,162,475,312</u>	<u>100.000000%</u>

The top twenty (20) stockholders of the Company as of May 31, 2020 are as follows:

<u>Name of Stockholders</u>	<u>Securities</u>	<u>Shares Held</u>	<u>Total Outstanding</u>
BDO Unibank, Inc.*	Common	1,914,711,807	88.542597%
PCD Nominee Corporation (Filipino)	Common	247,613,423	11.450462%
Samuel Uy Chua	Common	21,000,000	0.971109%
Equitable Computer Services, Inc A/C Cequit11	Common	12,320,000	0.569717%
Marylen Castro Mateo	Common	3,795,000	0.175493%
Jesselen Castro Versoza	Common	3,795,000	0.175493%
Samuel Uy Chua	Common	3,011,150	0.139246%

<sup>□</sup> \*Record and beneficial (BDO Unibank and subsidiary)

Constantino Chua	Common	2,497,200	0.115479%
Equitable Computer Services Inc.	Common	2,070,200	0.095733%
Mercury Group of Companies, Inc.	Common	1,089,165	0.050367%
Constantino Chua &/or Willington Chua &/or George W. Chua	Common	1,020,000	0.047168%
Nardo R. Leviste	Common	759,000	0.035099%
PCD Nominee Corporation (Foreign)	Common	600,821	0.027784%
Willington Chua */ Constantino Chua	Common	584,430	0.027026%
Willington Chua	Common	508,530	0.023516%
Pablo Son Keng Po	Common	455,400	0.021059%
Wilson Go	Common	438,625	0.020283%
Lim Chin Ben	Common	425,040	0.019655%
Sysmart Corporation	Common	358,835	0.016594%
Abacus Capital & Investment Corp.	Common	303,000	0.014012%

**BDO LEASING AND FINANCE, INC.  
SPECIAL STOCKHOLDERS' MEETING  
July 21, 2020 at 10:00 a.m.**

**Guidelines for Participating via Remote Communication and Voting *in Absentia***

The Special Stockholders' Meeting (SSM) of BDO Leasing and Finance, Inc. (BDOLF or the **Company**) is scheduled on **July 21, 2020 (Tuesday) at 10:00 a.m.** with the end of trading hours of the Philippine Stock Exchange on **July 1, 2020 (Record Date)** as the record date for the determination of stockholders entitled to the notice of, to attend, and to vote at such meeting and any adjournment thereof.

In light of the ongoing community quarantine imposed in several areas of the country and in consideration of health and safety concerns of everyone involved, BDOLF shall allow attendance, participation and voting by stockholders via remote communication or *in absentia* pursuant to Sections 23 and 57 of the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 6-2020.

***Step 1. Pre- SSM Registration/Validation/Voting Procedures***

Stockholder must notify the Office of the Corporate Secretary of their intention to participate in the SSM via remote communication or to exercise their right to vote *in absentia* by sending the documentary requirements with transmittal letter addressed to the Office of the Corporate Secretary, 14th Floor, North Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City VIA COURIER/PERSONAL DELIVERY **OR** scanned copies of these documents by EMAIL to <bdolf\_corporate\_secretary@bdo.com.ph> with return-receipt.

The following complete/accurate documentary requirements with transmittal letter **MUST BE SENT TO AND RECEIVED** by the Office of the Corporate Secretary **no later than July 10, 2020:**

- **For Certificated Individual Stockholders**

1. A clear copy of the stockholder's valid government-issued ID (such as passport, driver's license, or unified multipurpose ID) showing photo, signature and personal details, preferably with residential address
2. Stock certificate number/s
3. A valid and active e-mail address and contact number of stockholder
4. If appointing a proxy, duly accomplished and signed proxy indicating the votes on the agenda items. Proxy form can be downloaded from BDOLF's website <www.bdo.com.ph/leasing/2020proxyform>.

**If sending via email, attachment/s should be clear copies in JPG or PDF format, with each file size no larger than 2MB.**

- **For Certificated Multiple Stockholders or Joint owners**

1. A clear copy of the ALL stockholders' valid government-issued IDs (such as passport, driver's license, or unified multipurpose ID) showing photo, signature and personal details, preferably with residential address
2. Stock certificate number/s
3. A valid and active email-address and contact number of authorized representative
4. Proof of authority of stockholder voting the shares signed by the other registered

stockholders, for shares registered in the name of multiple stockholders (need *not* be notarized)

5. If appointing a proxy, duly accomplished and signed proxy indicating the votes on the agenda items. Proxy form can be downloaded from BDOLF's website < [www.bdo.com.ph/leasing/2020proxyform](http://www.bdo.com.ph/leasing/2020proxyform)>.

**If sending via email, attachment/s should be clear copies in JPG or PDF format, with each file size no larger than 2MB.**

- ***For Certificated Corporate/Partnership Stockholders***

1. Secretary's Certification of Board resolution attesting to the authority of representative to participate by remote communication for, and on behalf of the Corporation/Partnership
2. Stock certificate number/s
3. A clear copy of the valid government-issued ID (such as passport, driver's license, or unified multipurpose ID) of stockholder's authorized representative showing photo, signature and personal details, preferably with residential address
4. A valid and active email-address and contact number of authorized representative
5. If appointing a proxy, duly accomplished and signed proxy indicating the votes on the agenda items. Proxy form can be downloaded from BDOLF's website < [www.bdo.com.ph/leasing/2020proxyform](http://www.bdo.com.ph/leasing/2020proxyform)>.

**If sending via email, attachment/s should be clear copies in JPG or PDF format, with each file size no larger than 2MB.**

- ***For Stockholders with Shares under PCD Participant/Broker Account***

1. Certification from broker as to the number of shares owned by stockholder
2. A clear copy of the stockholder's valid government-issued ID (such as passport, driver's license, or unified multipurpose ID) showing photo, signature and personal details, preferably with residential address
3. A valid and active email-address and contact number of stockholder or proxy
4. If appointing a proxy, duly accomplished and signed proxy indicating the votes on the agenda items. Proxy form can be downloaded from BDOLF's website < [www.bdo.com.ph/leasing/2020proxyform](http://www.bdo.com.ph/leasing/2020proxyform)>.

**If sending via email, attachment/s should be clear copies in JPG or PDF format, with each file size no larger than 2MB.**

Stockholders will receive an e-mail reply from BDOLF's Office of the Corporate Secretary as soon as practicable. The Office of the Corporate Secretary's email reply will either confirm successful registration and provide the link/meeting details to BDOLF's 2020 SSM OR require submission of deficient documents. If you have not received any email reply, please call tel. nos. 8840-7694

**Important Reminder: Please refrain from sending duplicate and inconsistent information/documents as this can result in failed registration. All documents/information shall be subject to verification and validation by the Company.**

### ***Step 2: Voting in Absentia Procedure***

Stockholders who have successfully registered shall be notified via email from the Office of the Corporate Secretary of their log-in credentials for the SSM. Registered stockholders can then cast their votes for specific items in the agenda by accomplishing the print-out of BDOLF's ballot form. The ballot form can be accessed and downloaded from BDOLF's website **<www.bdo.com.ph/leasing/SSMballot >**.

1. Upon accessing and downloading the ballot, the stockholder can vote on each agenda item on the ballot print-out. A brief description of each item for stockholders' approval are appended as Annex A to the Notice of Meeting.

- 1.1 A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval.

2. Once the stockholder has finalized his vote, he can proceed to submit his ballot by sending in JPG or PDF format to <bdolf\_corporate\_secretary@bdo.com.ph> **no later than July 16, 2020.**

**If sending via email, should be clear scanned copies in JPG or PDF format, with each file size no larger than 2MB.**

### ***Step 3: Exercise of Appraisal Rights***

The procedure for the exercise of a stockholder's appraisal right is as follows:

1. A stockholder shall have dissented to such corporate action by submitting his ballot voting against any of the above items to Office of the Corporate Secretary or by sending an email to **<bdolf\_corporate\_secretary@bdo.com.ph>** registering his dissent by the end of voting period on July 16, 2020 or five (5) days before the SSM;
2. Within thirty (30) days after the date on which the vote was taken, the dissenting stockholder shall make a written demand on the Company for payment of the fair value of his shares. Stockholders may submit electronic copies of this written demand to Office of the Corporate Secretary or courier the correspondence to Office of the Corporate Secretary, duly signed by the stockholder in both cases.

Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

3. Within ten (10) days after demanding payment for his shares, the dissenting stockholder shall submit to the Company the certificate(s) of stock representing his shares for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Company, terminate his appraisal rights.
  4. No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Company consents thereto.
  5. If the corporate action is implemented or effected, the Company shall pay to such dissenting stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of a merger if such be the corporate action involved.

6. If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the dissenting stockholder and the Company cannot agree on the fair value of the shares, it shall be appraised and determined by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the two (2) thus chosen.
7. The findings of a 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. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.
8. Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

#### ***Step 4: Virtual SSM***

The SSM will be broadcasted live and stockholders who have successfully registered can participate via remote communication. Details of the meeting will be sent to stockholders in the emails provided by BDOLF. Instructions on how to access the broadcast will also be posted at <[www.bdo.com.ph/2020ASM](http://www.bdo.com.ph/2020ASM)>.

Video recordings of the SSM will be adequately maintained by the Company and will be made available to participating stockholders upon request. Stockholders may access the recorded webcast of the SSM by sending an email request addressed to <[bdolf\\_corporate\\_secretary@bdo.com.ph](mailto:bdolf_corporate_secretary@bdo.com.ph)>.

#### ***Open Forum***

During the virtual meeting, the Company will have an Open Forum, during which, the meeting's moderator will read and where representatives of the Company shall endeavor to answer as many of the questions and comments received from stockholders as time will allow.

Stockholders may send their questions in advance by sending an email bearing the subject "SSM 2020 Open Forum" to <[bdolf\\_corporate\\_secretary@bdo.com.ph](mailto:bdolf_corporate_secretary@bdo.com.ph)>. A section for stockholder comments/questions or a "chatbox" shall also be provided in the broadcasting platform.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by BDOLF through the stockholders' email addresses.

For any clarifications, please contact our Office of the Corporate Secretary through <[bdolf\\_corporate\\_secretary@bdo.com.ph](mailto:bdolf_corporate_secretary@bdo.com.ph)>.

For other SSM-related queries, stockholders may contact BDOLF at <[bdolf\\_corporate\\_secretary@bdo.com.ph](mailto:bdolf_corporate_secretary@bdo.com.ph)>

**BDO LEASING & FINANCE, INC.**  
**LIST OF ASSETS AND LIABILITIES FOR TRANSFER**  
**As of MAY 31, 2020**

**SCHEDULE "B"**

	May 31 balances	For Transfer	Retain to BOLF
<b>ASSETS</b>			
Cash and Cash Equivalents	166,633,537.59		166,633,537.59
Financial Assets at Fair Value through Other Comprehensive Income (OCI)	2,090,343,240.21	2,090,343,240.21	
Loans & Other Receivables - net			
Finance Lease Receivables	13,081,543,032.38	13,081,543,032.38	
Loans and Receivables Financed	9,751,493,297.60	9,751,493,297.60	
Other Receivables	268,326,175.54	260,248,200.75	8,077,974.79
Allowance for loan losses	(740,576,381.97)	(740,576,381.97)	
	22,360,786,123.55	22,352,708,148.76	8,077,974.79
Property, Plant and Equipment - net	28,395,850.56	28,395,850.56	
Investment Properties - net	173,538,851.50	173,538,851.50	
Other Assets - net	672,468,754.26	672,468,754.26	
	25,492,166,357.67	25,317,454,845.29	174,711,512.38
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Bills Payable	14,961,595,586.68	14,961,595,586.68	
Accounts Payable, Accrued Interest and Other Liabilities	358,049,994.31	358,049,994.31	
Lease Deposits	4,456,223,250.94	4,456,223,250.94	
	19,775,868,831.93	19,775,868,831.93	-
Stockholders' Equity			
Capital Stock	2,225,169,030.00		2,225,169,030.00
Additional Paid-in Capital	571,095,676.48		571,095,676.48
Retained Earnings	2,985,353,721.50		2,985,353,721.50
Net Unrealized Fair Value Gains/(Losses on Financial Asset at Fair Value through OCI	88,343,051.21	88,343,051.21	
OCI - Actuarial Gain/(Loss)	(71,887,325.30)	(71,887,325.30)	
Treasury Stock	(81,776,628.15)		(81,776,628.15)
	5,716,297,525.74	16,455,725.91	5,699,841,799.83
	25,492,166,357.67	19,792,324,557.84	5,699,841,799.83