

**Upson International Corp.**

**Minutes of**

**2026 Annual Stockholders' Meeting**

held virtually via Zoom  
on May 25, 2026, 3:00 P.M.

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**Directors and Officers Present:**

Lawrence O. Lee, Chairman  
Arlene Louisa T. Sy, Chief Executive Officer and President  
Rolando O. Raval, Jr., Director, Chief Operations Officer, and Moderator of the Meeting  
Marcos A. Legaspi, Director and Chief Finance Officer  
Anthony Thomas C. Roxas, Jr., Director and Head of Investor Relations  
Jose Vicente C. Bengzon III, Independent Director  
Ricardo A. Lee, Director  
Raul M. Leopando, Director  
William Lim, Director  
Chun Bing G. Uy, Independent Director  
Dennis F. Uy, Corporate Secretary  
Darwin L. Mendoza, Compliance Officer

**Also Present:**

Representatives from Reyes Tacandong & Co., External Auditor  
Representatives from PNB Trust Banking Group, Transfer Agent

**Other Stockholders Present/Represented:**

Anita Lim  
Jendres Holdings, Inc.  
Virdura Holdings, Inc.  
Unitrust Investments Corporation  
Deutsche Bank AG Manila Branch  
Standard Chartered Bank – SCB OBODBS A/C SG0900121752

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The 2026 Annual Stockholders' Meeting (ASM) of Upson International Corp. (the "Corporation") opened with an invocation followed by the Philippine National Anthem.

Mr. Raval introduced the members of the Board of Directors and the Management who were present at the ASM. Mr. Raval also acknowledged the presence of the representatives of the Corporation's External Auditor and Transfer Agent before he turned over the Meeting to Mr. Lawrence Lee to preside the ASM.

**I. Call to Order**

Mr. Lawrence Lee, the Chairman of the ASM, welcomed the Corporation's stockholders, Board of Directors, Management team, and stakeholders to the ASM then called the Meeting to order.

**II. Certification of Notice and Quorum**

Before proceeding, the Corporate Secretary, Mr. Dennis Uy, was requested to certify the posting and publication of the Notice and Quorum for the ASM.

Mr. Uy certified that in compliance with the rules issued by the Securities and Exchange Commission, the Notice of the Meeting with relevant information was uploaded then posted on the Philippine Stock Exchange, Inc.'s Edge Portal and the Corporation's website beginning March 19, 2026.

Further, Mr. Uy also stated that the same Notice was published in the business sections of Manila Standard and the Philippine Star, two newspapers of general circulation, in both print and online formats for two consecutive days, at least 21 days prior the Meeting.

Based on records, stockholders who registered and are participating in the Meeting, personally or by proxy, represent 2,444,061,665 common shares or 78.21% of the Corporation's total outstanding capital stock as of May 5, 2026, the Record Date of the ASM, as tabulated by the Office of the Corporate Secretary and the Corporation's Transfer Agent. The Corporate Secretary therefore certified that a quorum was present for the Meeting.

Mr. Uy also informed the attendees that Reyes Tacandong & Co. was the third-party tabulator of votes for the Meeting.

Lastly, he announced that the Meeting will be recorded.

### III. Approval of the Minutes of the Previous Meeting held on May 26, 2025

The Chairman then proceeded to the Approval of the Minutes of the Previous Annual Meeting of Stockholders.

The Corporate Secretary was asked if the copies of the said Minutes were provided to stockholders.

As confirmed by the Corporate Secretary, a copy of the Minutes of the Previous Annual Meeting of Stockholders was posted on the Corporation's website. The link of the said Minutes was also provided in the approved and published Definitive Information Statement for the Meeting (DIS), which was also uploaded and posted on the Philippine Stock Exchange, Inc.'s Edge Portal and the Corporation's website.

The Chairman then asked for the voting results.

Before presenting the voting results, the Corporate Secretary stated that registered shares with no voting instructions shall be voted "For" for the matter under consideration, as stated in the DIS.

The Corporate Secretary then presented that based on the tabulation of votes, 2,444,061,665 common shares or 100% of stockholders present or represented in the Meeting voted in favor of the approval.

For		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
2,444,061,665	100	78.21

Against		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
-	-	-

Abstain		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
-	-	-

With the voting results, the motion was carried and the following resolution approving the minutes of the previous meeting of stockholders held on May 26, 2025 was approved:

*“Resolved, to approve the Minutes of the Previous Annual Stockholders’ Meeting of Upson International Corp held on May 26, 2025.”*

The Chairman then advised the Corporate Secretary to ensure that the Minutes of the Meeting reflect the resolutions adopted and approved, with corresponding tabulation of votes for each item.

**IV. Annual Report and Audited Financial Statements for the period ended December 31, 2025**

The Chairman proceeded to the next item in the Agenda. He requested Ms. Arlene Louisa Sy, Chief Executive Officer and President, to present the Corporation’s Annual Report and Audited Financial Statements for the period ended December 31, 2025 as follows:

*“Good afternoon, everyone.*

*Welcome to our Stockholders’ briefing of the 2025 annual performance of Upson International Corp.*

*Today, I shall walk you through the year 2025 in four parts:*

- 1. the milestones that marked our progress,*
- 2. the financial highlights and performance metrics that measured our results,*
- 3. the operational highlights that shaped our execution, and*
- 4. the growth strategy that will guide Upson beyond 2025.*

*For our original founders, it has been a journey spanning three decades  
From video rentals in 1985,*

- Transitioning to a distributor in 1995*
- Then the shift to a retailer in 1997*
- To consciously building Retail Brand names between 2003 to 2006*
- Adapting to online platforms to navigate the Covid Pandemic of 2020 to 2022*
- To going public in 2023 to expand market dominance nationwide*
- Then investments in two additional subsidiaries to pursue inorganic growth*

*By 2025, we are presently the largest retail chain of computers and IT products nationwide with 255 stores in total.*

*As we look back at our corporate journey over three decades, we have built a retail digital access nationwide.*

*This was the year that we tested the easy assumptions of retail growth.*

*In 2025, Upson opened 14 stores but closed 19 so and that yielded an effective decline of five stores to end the year with 240 retail branches.*

*The reduction in branch count must be comprehended with the productivity of the branch network.*

- Upson sales grew by 6.3%, which connotes that existing stores and new stores compensated for the sales lost by the 19 branches closed,
- Retail floor space increased by 2.1% connoting that larger store formats were pursued,
- Sales per square meter rose by 4.1% indicating improved sales productivity per unit of floor space,
- Average sales per branch improved by 8.5%; conveying improved sales management in every store, and
- Same store sales growth reached 6.1% indicating a steady and growing market demand for our products.

Upson's curated expansion became more deliberate and selective. Even with fewer branches, the Company improved the quality of its retail footprint, generating higher sales, stronger productivity, and better efficiency from its store space.

On a consolidated basis, Upson's revenue base expanded meaningfully through its subsidiaries in 2025.

- iStudio Plus delivered ₱1.1 billion sales from the premium Apple segment, while
  - Upson Global added ₱13.2 million from online sales of water purifiers and home appliances.
- Combined with Upson's core businesses, these inorganic contributions brought consolidated revenues to ₱12.917 billion in 2025, up 12.98% from ₱11.425 billion in 2024.

A key driver of margin improvement was a more intentional sales push toward higher-margin products. This helped improve Upson's product mix and lift gross profit margin to 21.48%, from 20.97% in 2024.

On a consolidated basis, margins remained more tempered at 20.69%, broadly approximating 2024 levels, reflecting the lower-margin profile of iStudio's premium Apple product portfolio.

The Group's business model is built on expanding and strengthening its retail network. This model creates a natural timing gap between branch investment, store maturation, and working-capital funding. This timing difference can temporarily place pressure on profitability and liquidity even when the underlying store network is becoming stronger. As a result, the related cost base is reflected before the full sales and profit contribution is realized. The table here shows that sales increased and gross profit margins improved. But the rise in depreciation and operating expenses reflect the cost of expanding the retail platform, as well as some costs from closure of stores, resulting in decline of net income from 481 MM to 400 MM in 2025. The decline in profitability should therefore be viewed in the context of the Group's investment cycle and store maturation cycle.

For a longer historical perspective, this table shows a stronger Upson after our 2023 IPO. The IPO reinforced our equity base, with total equity rising from ₱1.0 billion in 2022 to ₱3.3 billion in 2025. We maintain a stronger capital structure, with the debt ratio improving from 77.65% to 57.48% in 2025. Our assets grew from ₱4.7 billion to ₱7.8 billion, giving us the scale and balance sheet capacity to support branch expansion, warehouse infrastructure and logistic support. Liquidity also remained acceptable, with our current ratio at 1.39x in 2025, supported by a larger current asset base. Our inventory build-up was necessary and deliberate. By year-end 2025, inventory reached ₱4.8 billion as we purchased higher stock levels in the fourth quarter to hedge against rising costs and pending supply shortages. This raised inventory days from 175 to 187 days, while days payable shortened from 39 to 35 days, temporarily stretching working capital. This should be viewed alongside our natural timing gap in branch expansion, where upfront capital, inventory, labor, and operating support come before mature sales contribution of new branches, which typically takes one year to 1.5 years.

With a stronger capital base, acceptable liquidity, and inventory positioned to support demand, we are confident in our ability to convert these investments into future growth and returns.

Reviewing our Operational Highlights, we have five brand retail formats namely Octagon, Micro Valley, Gadget World which replaced Gadget King, Octagon Mobile and our Concept (single brand) stores. The bold numbers below the retail brands are the number of stores of each retail brand.

Expansion into new territories is usually initiated by our Octagon brand that carries the full line of our inventory. This explains the relative size of Octagon in terms of number of store count as concretized by the donut chart on the right. Henceforth, subsequent expansion into the same territory is dictated by demand that guides further expansion of our other retail brands.

Upson's retail discipline continues to earn the confidence of its key suppliers. The Company received 20 awards, highlighting its consistency in execution across multiple brands and IT categories. Among these were recognitions from Acer and HP in computers, Epson in printers, Huawei in mobile phones, and Intel and Kingston in other IT segments.

With presence in all 18 regions of the Philippines, Upson no longer expands from absence. It expands from deeper market knowledge.

Moving forward, The Company's growth strategy will now follow a two-pronged approach. The first is curated market expansion, guided by mall developments, strong foot traffic, and viable retail opportunities beyond the malls. The second is deeper segment reach in territories where Upson already understands the behavior, preferences, and spending patterns of its customers. This means growing through specialty store formats as well as strengthening iStudio's position in the premium Apple segment, and selectively expanding Upson Global's home appliance business in areas where demand and execution can support profitable growth.

At the heart of our strategies remain our core strength of  
 Accessibility – in all 18 regions with uniform pricing,  
 Availability – with over 16,000 inventory SKUs, and  
 Authenticity – our seal earned from key suppliers for untampered products.

For the complete details of the Corporation's financials, kindly refer to our Audited Financial Statements for the period ended December 31, 2025 attached to our approved and published Definitive Information Statement.

To our shareholders, thank you for your continued trust and support. Your confidence gives Upson the strength to pursue growth with discipline, sharpen its execution, and build a business that remains responsive to the market and accountable to those who believe in its future. Thank you for your much valued presence and support. Have a great day everyone."

The Chairman then thanked Ms. Sy for the presentation for stockholders' consideration and approval, then asked the Corporate Secretary to announce the following voting results:

For		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
2,444,061,665	100	78.21

Against		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
-	-	-

Abstain		
Shares Voted	Percent of Shares	Percent of Outstanding

	Present/Represented	Capital Stock
-	-	-

With the voting results, the motion was carried and the following resolution approving the Annual Report and Audited Financial Statements for the period ended December 31, 2025 was approved:

*“Resolved, to note and approve the Annual Report and Audited Financial Statements of Upson International Corp. for the period ended December 31, 2025.”*

#### **V. Ratification of Acts of the Board of Directors and the Management**

The next item in the Agenda was the Ratification of Acts of the Board of Directors and the Management made and adopted since the previous annual meeting of stockholders on May 26, 2025 until May 25, 2026.

The Chairman asked the Corporate Secretary briefly discuss the matter.

As discussed by the Corporate Secretary, the acts of the Board of Directors and the Management are reflected in the minutes of meetings, which includes acts and resolutions covered by publicly-available disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange, Inc. The acts of the Board of Directors and the Management were taken in the general conduct of the Corporation’s business.

The Chairman then asked for the following voting results:

For		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
2,444,061,665	100	78.21

Against		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
-	-	-

Abstain		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
-	-	-

With the voting results, the motion was carried and the following resolution ratifying the acts of the Board of Directors and the Management was approved:

*“Resolved, to ratify the acts made and adopted by the Board of Directors and the Management of Upson International Corp. from May 26, 2025 to May 25, 2026.”*

#### **VI. Election of Directors, including Independent Directors, for the ensuing year**

The Chairman proceeded to the Election of Directors, including Independent Directors, for the ensuing year. He requested Mr. Chun Bing Uy, Lead Independent Director, and Member of the Nomination Committee, to present the following names of nominees to the Board of Directors:

Mr. Lawrence O. Lee,  
Mr. Ricardo A. Lee,

Mr. William Lim,  
 Ms. Arlene Louisa T. Sy,  
 Mr. Rolando O. Raval, Jr.,  
 Mr. Marcos A. Legaspi,  
 Mr. Anthony Thomas C. Roxas, Jr.,  
 Mr. Raul M. Leopando,  
 Mr. Chun Bing G. Uy (as Independent), and  
 Mr. Jose Vicente C. Bengzon III (as Independent).

Mr. Chun Bing Uy also mentioned that the profiles of the aforementioned nominees are also provided in the DIS.

The Corporate Secretary was then asked to announce the following voting results:

Lawrence O. Lee	For		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	2,444,061,665	100	78.21
	Against		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-
	Abstain		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-

Ricardo A. Lee	For		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	2,444,061,665	100	78.21
	Against		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-
	Abstain		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-

William Lim	For		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	2,444,061,665	100	78.21
	Against		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-
	Abstain		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-

Arlene Louisa T. Sy	For		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock

	2,444,061,665	100	78.21
	Against		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock	
-	-	-	
	Abstain		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock	
-	-	-	

Rolando O. Raval, Jr.	For		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	2,444,061,665	100	78.21
	Against		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-
	Abstain		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
-	-	-	

Marcos A. Legaspi	For		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	2,444,061,665	100	78.21
	Against		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-
	Abstain		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
-	-	-	

Anthony Thomas C. Roxas, Jr.	For		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	2,444,061,665	100	78.21
	Against		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-
	Abstain		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
-	-	-	

Raul M. Leopando	For		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	2,444,061,665	100	78.21
	Against		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-

	Abstain		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-

	For		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
Chun Bing G. Uy	2,444,061,665	100	78.21
	Against		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-
	Abstain		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-

	For		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
Jose Vicente C. Bengzon III	2,444,061,665	100	78.21
	Against		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-
	Abstain		
	Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
	-	-	-

Given the voting results, the Corporate Secretary confirmed that all nominees garnered sufficient votes to be elected. Subsequently, the motion was carried and the following resolution electing the aforementioned nominees as directors was adopted:

*“Resolved, to elect the following as directors of  
Upson International Corp. for 2026 to 2027:*

*Lawrence O. Lee  
Ricardo A. Lee  
William Lim  
Arlene Louisa T. Sy  
Rolando O. Raval, Jr.  
Marcos A. Legaspi  
Anthony Thomas C. Roxas, Jr.  
Raul M. Leopando  
Chun Bing G. Uy (as Independent)  
Jose Vicente C. Bengzon III (as Independent)”*

The Chairman congratulated the elected members of the Board of Directors.

## VII. Appointment of External Auditor

The next item in the Agenda was the Appointment of External Auditor. The Chairman turned over the floor to Mr. Jose Vicente Bengzon III, Independent Director and Chairman of the Audit Committee.

Mr. Bengzon presented that as pre-screened by the Audit Committee, and endorsed by the Board of Directors, Reyes Tacandong & Co. or RT&Co. is being endorsed for appointment as the Corporation's External Auditor for the fiscal year ending December 31, 2026. Mr. Bengzon also added that a brief description of RT&Co. is provided in the DIS.

The Chairman thereafter thanked Mr. Bengzon then asked the Corporate Secretary on the following voting results:

For		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
2,444,061,665	100	78.21

Against		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
-	-	-

Abstain		
Shares Voted	Percent of Shares Present/Represented	Percent of Outstanding Capital Stock
-	-	-

With the voting results, the motion was carried and the following resolution was approved:

*"Resolved, to appoint Reyes Tacandong & Co. as the External Auditor of Upson International Corp. for the fiscal year ending December 31, 2026"*

## VIII. Other Matters/Question and Answer

The Chairman proceeded to the Question and Answer portion. The Chairman then mentioned that "In line with the provisions of the Revised Corporation Code of the Philippines and the Code of Corporate Governance for Publicly-listed Companies, all stockholders of record as of May 5, 2026 are allowed to send questions to the office of the Corporate Secretary, and through the chat box of the virtual meeting. For those that will not be entertained due to time constraints, rest assured that we will respond to your questions after this Meeting." He then requested the Moderator of the ASM to read the questions.


Upon checking, the Moderator informed the Chairman that no questions were received.

The Chairman then inquired if there are other matters. The Corporate Secretary responded that there are no other matters.

**IX. Adjournment**

The Chairman thereafter adjourned the ASM and thanked everyone who joined the Meeting.

Prepared by:

  
Dennis F. Uy  
Corporate Secretary

DRAFT