

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
OF PHILIPPINE ESTATES CORPORATION  
HELD ON FRIDAY, 07 OCTOBER 2022 AT 10:00 A.M.  
VIA VIRTUAL COMMUNICATION (ZOOM)

ATTENDANCE

Total Shares Present And Represented

Total Shares Issued And Outstanding

Percentage Shares and Represented

**PROCEEDINGS OF THE MEETING**

**I. CALL TO ORDER**

In accordance with SEC Memorandum Circular No. 6, Series of 2020, Mr. Arthur M. Lopez, Chairman of the Board, called the meeting of **PHILIPPINE ESTATES CORPORATION** (the "Corporation") to order and thereafter presided. He said the stockholders' meeting will be conducted through videoconferencing using the Zoom application.

The Chairman acknowledged the presence of the following directors and officer of the Corporation, as follows:

Mr. Kenneth T. Gatchalian  
Ms. Elvira A. Ting  
Ms. Dee Hua T. Gatchalian  
Mr. Richard L. Ricardo  
Atty. Arthur R. Ponsaran  
Mr. Sergio Ortiz-Luis, Jr.  
Mr. Byoung Hyun Suh  
Justice Renato C. Francisco  
Secretary Ruben D. Torres  
Mr. Josaias T. Dela Cruz

**II. ATTENDANCE AND QUORUM**

Proceeding with the agenda, the Corporate Secretary, Atty. Arsenio A. Alfiler, Jr., certified that in accordance with SEC Notice dated April 20, 2020 providing for an alternative mode of distributing ASM notices, notice of this meeting and the Definitive Information Statement were published via the Company's website and PSE Edge on September 9, 2022. The notice was also published in two (2) newspaper of general circulation, in print and digital format - in The Manila Bulletin and Business Mirror on September 13 and 14, 2022. Atty. Alfiler certified that based on the record of

attendance as of 10:00 A.M., October 7, 2022, there are represented in this meeting, in person or by proxy, stockholders owning 2,224,120,720 shares, representing 76.93 % of the total issued and outstanding capital stock of the Corporation and that there is a quorum at this meeting.

### **III. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING**

The Chairman informed the stockholders that the next item of the agenda is the approval of the minutes of the previous meeting of the stockholders held on September 21, 2021. On motion duly made and seconded, stockholders representing at least 2/3 of the outstanding capital of the Corporation approved the minutes of the meeting of the stockholders held on September 21, 2021.

### **IV. APPROVAL OF THE ANNUAL REPORT FOR THE YEAR 2021 AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**

The President, Ms. Ting presented the highlights of the Company's performance and result of operation for the year 2021.

She reported the successful stock right offering (SRO) of the Corporation to fund its planned land banking activity and to sustain the Company's continued development activities. The Company's SRO raised the amount of PHP1.45 Billion, PHP 957 million of which was earmarked for land acquisition for land acquisition and PHP466M for general corporate purposes. The amount of PHP614M or 64 % has already been spent in acquiring land in various locations for future development.

She reported that the Company posted a modest 10 % growth in sales in 2021 at PHP239,705,802.00 compared to 2020's PHP217,943,438.00. Total Realized Gross Profit stood at PHP79,339,510.00, compared to PHP76,657,704.00 in 2020; a slight increase of 3.5 %. While the operating expenses increased by 15.83 % from PHP61,792,701.00 in 2020 to PHP71,557,473.00 in 2021. This was attributed to the increase in the number of man hours in the site to compensate for the lost productive time in the previous year. The Company posted at net income of PHP11,529,606.00, a significant increase from the previous year of PHP545,590.00.

The Company's Cebu operations generated sales of PHP48.1 Million, 20% of the total sales while its Iloilo projects contributed PHP83.35 Million, equivalent to 34.85%. The new project in Malolos generated PHP108.2 Million in sales. 45.15% of its Sale Revenue Real Estate Inventories as of December 31, 2021. She said that despite the two surges of Covid-19 pandemic in April and September, the Company managed to continue its construction activities in all project sites. Strict health protocols were implemented by the Company to curb the spread of infection among the staff and workers in the site.

She reported that the Company formally launched its two projects. The first is the Wellford Homes Malolos, a 6.9-hectare housing project located in Longos, Malolos, Bulacan. Phase 1 is completed and the site development work for Phase 2 will commence this November. The Company expects to complete the Wellford Homes Malolos in early 2024. The 2<sup>nd</sup> project of the Company is the first vertical condominium project in Mactan, Cebu, Wellford Residences Mactan, a 7-storey mid-rise residential condominium project caters to the housing needs of professional and starter family. The construction of the Company's first tower (Madison) is now in full swing and it expects to deliver the units to its buyers by July 2023. The construction of the Washington tower, its second tower, will commence immediately after the completion of the first tower.

She also reported the it has completed the site development work of Parcel A Wellford Homes in Jaro, Iloilo City. It will launched Parcel B, which consist of 8.7 hectares and offer 440 units of lots and American- inspired house packages. The site development will commence in the first quarter of 2023 and it expects to complete the said project in 2025.

She said that the proposed new international airport known as Bulacan airport will definitely change the economic landscape of North Luzon. Bulacan which is adjacent to Metro Manila will spur the growth and development in the countryside. The Company is looking to expand its development in various areas in Bulacan.

In the Company's pipeline is the Wellford Homes, Sta Maria Bulacan, a 34-hectare project located at the business center of Sta. Maria, Bulacan. It will be a spillover of the company's success in its Malolos Housing projects.

The Company is also looking at another property for the expansion of its housing project located in Balagtas, Bulacan. The Company envisions a 10-hectare middle income housing project similar to its Malolos and upcoming Sta Maria projects, a residential project that will offer a master planned community with a total of 710 residential units.

CALABARZON is another area whose development will be sustained. The Company plans to develop its 20-hectare property located in the bustling town of Tanza, Cavite into a middle class residential housing. It will be the Company's first subdivision project in the Province of Cavite. The market feasibility study is being undertaken to ensure the viability and success of said project.

The Company will also prepare for a formal launching of its Pacific Grand Villas Phase 5 in Cebu. It projects completion of the 3<sup>rd</sup> bridge which is only 200 meters away from its property. It is definite that project will sell out

because of its location and the commercial development adjacent to its Phase 5 is now for master planning.

The Company is positive and ready to face the upcoming challenges. It will continue to implement sound business practices to ensure business stability and to mitigate potential risk. It will continue to uphold its thrust of developing and creating value in every home and community it designs and build and prepare itself for a stiffer competition in the near future. It will concentrate on achieving operational efficiency by upgrading its know-how in building innovations and technology, finding ways to expand its marketing channels and improving its internal work system to ensure stability in the volatile economic environment.

On motion duly made and seconded, the stockholders approved the report and the audited financial statements for the year-ended December 31, 2021.

#### **V. RATIFICATION OF ACTS OF THE BOARD AND MANAGEMENT FOR THE YEAR 2021**

The Chairman presented to the stockholders for approval and ratification the acts of the Board and Management for the year ended December 31, 2021 as well as the contracts and transactions entered into by the Corporation for the same period.

On motion duly made and seconded, the stockholders unanimously approved and ratified, all acts of the Board and Management for the year ended December 31, 2021, as well as contracts and transactions entered into by the Corporation for the same period, all as reflected in the Annual Report and the Financial Statements

#### **V. ELECTION OF THE BOARD OF DIRECTORS**

Proceeding with the agenda, the Chairman opened the floor for nominations for the election of the Board of Directors of the Corporation for the year 2022 -2023.

Upon nominations and on motion duly made and seconded, the stockholders unanimously elected the following as Directors of the Corporation to serve for the term 2022-2023 as such until the next annual meeting, and until their successors shall have been elected and qualified:

As independent directors:

JUSTICE RENATO C. FRANCISCO  
MR. BYOUNG HYUN SUH  
MR. JOSAIAS T. DELA CRUZ

and the following as **regular** directors, namely:

MR. ARTHUR M. LOPEZ  
MR. KENNETH T. GATCHALIAN  
MS. ELVIRA A. TING  
MS. DEE HUA T. GATCHALIAN  
MR. RICHARD R. RICARDO  
SEC. RUBEN D. TORRES  
ATTY. ARTHUR R. PONSARAN  
MR. SERGIO ORTIZ-LUIS, JR.

#### **VI. APPOINTMENT OF THE EXTERNAL AUDITORS**

The Chairman informed the stockholders that the next item in the agenda was the designation of the Corporation's external auditor.

Upon nomination and on motion duly made and seconded, the stockholders appointed the accounting firm of Diaz Murillo Dalupan & Co. CPA's as the Corporation's external auditor.

#### **VII. APPOINTMENT OF EXTERNAL COUNSEL**

Upon nomination and on motion duly made and seconded, the stockholders appointed Corporate Counsels, Philippines Law Offices as the Corporation's external counsel.

#### **VIII. OTHER MATTERS**

The Chairman informed the stockholders that the last item in the agenda is the amendment of the Articles of Incorporation and By-laws of the Corporation, changing the principal office of the Corporation and amending Article THIRD of the Articles of Incorporation and Article NINTH of the By-Laws, to read as follows:

**THIRD:** That the principal office of the Corporation is to be located at 35th Floor, One Corporate Center, Doña Julia Vargas Ave., Corner Meralco Avenue, Ortigas Center, Pasig City.

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**NINTH:** For this purpose, the Board of Directors is hereby authorized to amend and effect subsequent and necessary revisions to the By-Laws for purposes of complying with best practices, subsequent requirements of law and/or regulatory bodies, The power of the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of the stockholders representing a majority of the outstanding capital stock at a regular or special meeting called for that purpose.

**IX. ADJOURNMENT**

There being no further business to transact, the meeting was, on motion duly made and seconded, adjourned.

*Arsenio A. Alfiler, Jr.*

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Arsenio A. Alfiler Jr.  
Corporate Secretary

**ATTESTED BY:**

*Arthur M. Lopez*

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Arthur M. Lopez  
Chairman