

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
OF PHILIPPINE ESTATES CORPORATION  
HELD ON THURSDAY, 12 OCTOBER 2023 at 10:00 A.M.  
At 6th Floor of One Corporate Centre  
Doña Julia Vargas Avenue corner Meralco Avenue  
Ortigas Center, Pasig City,

ATTENDANCE

Total Shares Present and Represented	2,305,537,769
Total Shares Issued and Outstanding	2,891,099,660
Percentage Shares and Represented	79.75%

**PROCEEDINGS OF THE MEETING**

**I. CALL TO ORDER**

In the absence of the Chairman, Mr. Arthur Lopez, the Vice Chairman, Mr. Kenneth T. Gatchalian, called the meeting of **PHILIPPINE ESTATES CORPORATION** (the "Corporation") to order and thereafter presided.

The Vice Chairman, Mr. Kenneth T. Gatchalian, acknowledged the presence of the following directors of the Corporation, as follows:

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, he instructed the Corporate Secretary, Atty. Arsenio A. Alfiler, Jr. to determine the quorum for the meeting. Thereafter, Atty. Alfiler certified that in accordance with SEC Notice dated February 28, 2023 providing for an alternative mode of distributing ASM notices, notice of this meeting and definitive copies of the Information Statement were published via the Company's website and PSE Edge on September 18, 2023. The notice was also published in two (2) newspaper of general circulation, in print and digital format - in The Business Mirror and Daily Tribune on September 20 and 21, 2023. Based on the record of attendance as of 10:00 AM today, there are represented in

this meeting, in person or by proxy, stockholders owning 2,305,537,769 shares, representing 79.75% of the total issued and outstanding capital stock of the Corporation. There is, therefore, Mr. Chairman, 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 October 7, 2022. On motion duly made and seconded, stockholders representing at least 2/3 of the outstanding capital of the Corporation approved the minutes of the meetings of the stockholders held on October 7, 2022.

### **IV. REPORT TO THE STOCKHOLDERS FOR THE YEAR 2022 AND APPROVAL OF THE ANNUAL REPORT FOR THE YEAR 2022 AND FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022**

The President, Ms. Elvira A. Ting, presented the financial highlights of the Company's performance and result of operation for the year 2022, as reflected the Annual Report for the year ended December 31, 2022, the Audited Financial Statements for the period ended December 31, 2022, a copies of which are hereto attached and form part of the minutes.

The President, after she render her report, she entertain questions on the Annual Report and the Audited Financial Statements, after all questions are answered and discussions, on motion made and seconded, the stockholders accepted and approved the Annual Report for the year ended December 31, 2022 and the Audited Financial Statements for the period ended as of December 31, 2022.

### **V. RATIFICATION OF ACTS OF THE BOARD AND MANAGEMENT FOR THE YEAR 2022**

The Vice Chairman presented to the stockholders for approval and ratification the acts of the Board and Management for the year ended December 31, 2022 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, 2022, 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 open the floor and entertained nominations for the election of the Board of Directors of the Corporation for the year 2023 -2024.

Upon nominations and on motion duly made and seconded, the stockholders elected the following as Directors of the Corporation to serve for the term 2023-2024 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 MATTER**

The Vice Chairman, informed the stockholders if there are other matters to take in the meeting, after hearing none, the Chairman entertain to adjourn n the meeting.

#### **IX. ADJOURNMENT**

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

*Arsenio A. Alfiler, Jr.*

Arsenio A. Alfiler Jr.  
Corporate Secretary

**ATTESTED BY:**

  
KENNETH T. GATCHALIAN  
Vice-Chairman

Welcome to our Annual Stockholders meetings. It is indeed my pleasure and privilege to render our Annual Report for year 2022.

The Philippine economy had significantly improved in 2022 posting a growth of 7.6 % in its Gross Domestic Product and it is expected to continue its' growth momentum in 2023. This was brought by strong domestic demand, increasing employment and recovery in tourism industry after the lifting of Covid mobility restriction. The opening and resumption of business activity in the country' s major economic sector and the continuous government spending on infrastructure has benefitted all industry including construction and real estate.

In spite of all these challenges, our company was able to recover from the ill effects of the pandemic. BASED ON OUR RESTATED FINANCIAL REPORT. We recorded a significant growth in our sales revenue from Php180 m in the previous year to Php224.7 M . 24 % increase in our sales. Cebu projects contributed Php77.2 M, 34 percent of our total sales while, our Iloilo Projects generated sales of Php50.3 Million, 23 Percent of the total sales. Our Malolos project generated Php97.2 Million in sales, 43 % of the total sales.

Meanwhile, we posted a net income of Php46.7 Million compared to Php42 M in 2021. Our comprehensive income went down from Php48 M in 2021 versus Php30.3 M in 2022. Our operating expenses increased by 18 % from Php68 M in 2021 to Php80.8 M in 2022. Real Estate Inventories ending December 31, 2022 is at Php1.752 Billion (these includes properties we acquired from the proceeds of our STOCK RIGHT OFFERING ACTIVITY.)

In March 25, 2021, PHES BOARD OF DIRECTORS authorized the RIGHTS OFFERING of 1,445,549,830 common shares with a par value of PHP1.00, by way to stock rights offering to eligible existing common shareholders of the company. This resulted a capitalization of 2.9 billion. The SRO activity was essential to the planned land banking activity and to sustain the company' s continued development activities. Of the 1.45 Billion raised during the SRO, PHP 910 million was spend for land acquisition in various

locations for future development and the remaining Php 533 Million was for General Corporate purposes

Despite of the stringent mobility restriction, we were able to continue our work under the most challenging environment. Likewise, the gradual re-opening eventually pave way for us to operate on a full scale in the 3<sup>rd</sup> quarter of 2022. We were able to complete several projects during these trying times.

The Phase 1 of our WELLFORD HOMES MALOLOS is completed and site development work for Phase 2 is now ongoing. We expect to complete Phase 2 this coming December 2023. Site development work for our PHASE 3 AND 4 will commence first quarter of 2024. We expect to complete these two phases by end of 2025.

Our Cebu PACIFIC GRAND VILLAS PHASE 4 A and 4B as well as our PACIFIC GRAND TOWNHOMES are now completed and fully sold. While the construction of our first RESIDENTIAL CONDOMINIUM (MADISON) in the same locality is on full swing and is expected to be completed by December 2023.

Construction of the 2<sup>nd</sup> building WASHINGTON will commence in 2024 and will be completed in 2026.

Site development work of PARCEL A of Wellford Homes JARO, ILOILO is also 100 % completed. We will commence the work of PHASE 2 early next year. The 8.7 hectares American inspired subdivision will have a total 440 units of lots and house and lots. we expect to complete said project by end of 2025.

On our pipeline is WELLFORD HOMES, Sta Maria Bulacan, a 34 hectare' s project located at the business center of Sta Maria Bulacan. This is a spillover of our success in our MALOLOS HOUSING PROJECT. We plan to launch this project mid of 2024, Phase 1 is consisting of 16 hectares. We expect this project to generate sales revenue of Php1.8 Billion in a span of 4 years.

Another property we are looking for the expansion of our housing project is located in BALAGTAS BULACAN. We envisioned our 10-hectare middle income housing project similar to that of our Malolos and upcoming Sta Maria Project. This residential



project offers a well mastered planned community under the brand name of WELLFORD HOMES.

Another location we are considering for expansion is located in Barangay Calibuyo, TANZA CAVITE. We plan to develop our 20 hectares property into a middle class residential housing. This will be our first subdivision in the province of Cavite. Market feasibility study is being undertaken to ensure the viability and success of said project.

In pursuit of our thrust to expand and diversify in another field of real estate development. We will develop the remaining 4.7 Hectare property adjacent to our PACIFIC GRAND VILLAS into a commercial/ Residential enclave. This property is Strategically located in the main highway going to the 3<sup>rd</sup> bridge and it will definitely complement to the growing community inside and outside our subdivision. We will commence the master planning work for this project very soon.

With the opening of our economy and the resumption of global economic activity. We expect positive development and increase housing demand. The continuous government spending on infrastructure and the completion of some of the government major projects such as NLEX- SLEX connector, upcoming North —South Commuter railways, the Central Luzon Link and other infrastructures projects in Visayas and Mindanao will spur business opportunities and economic growth in those nearby towns and municipalities. PHES will continue to explore in these areas, looking for opportunities to expand its development.

We have weathered those difficulties time came out more resilient and flexible, focusing on strategies for sustainable growth on a long terms basis. We move ahead with a clearer picture, adopt a more focus steps to keep our growth momentum and prepare ourselves for a stiffer competition in the near future. While we continue to pursue our goal, expanding in different aspect of real estate development, we will continue to streamline our organization, strengthen us in house capabilities, build a pool of qualified people to ensure stability in an ever changing business environment.

**We take this opportunity today to thank our Board of Directors, our stockholders,  
and stakeholder for continuous support.**

**Thank and God bless us all.**