

**EMPIRE EAST LAND HOLDINGS, INC.**  
Minutes of the Annual Meeting of Stockholders  
13 June 2018  
Grand Ballroom, Eastwood Richmond Hotel  
17 Orchard Road, Eastwood City, Bagumbayan  
Quezon City, Metro Manila, Philippines

Present:

Andrew L. Tan	-	Chairman
Anthony Charlemagne C. Yu	-	President
Evelyn G. Cacho	-	Director
Enrique Santos L. Sy	-	Director
Kevin Andrew L. Tan	-	Director
Alejo L. Villanueva, Jr.	-	Independent Director
Cresencio P. Aquino	-	Independent Director
Dennis E. Edaño	-	Corporate Secretary/ Presiding Officer

Also Present:

Amiel Victor Asuncion	-	Acting Secretary
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**I. CALL TO ORDER**

Atty. Dennis E. Edaño, the Corporate Secretary, called the meeting to order at 9:12 AM and presided over the meeting. The Acting Secretary, Atty. Amiel Victor Asuncion, recorded the proceedings of the meeting.

**II. PROOF OF NOTICE AND DETERMINATION OF QUORUM**

The Acting Secretary certified that all stockholders of record as of 23 April 2018 have been duly notified of the meeting. He also certified that there was a quorum to transact business for the meeting.

**III. APPROVAL OF MINUTES OF THE PREVIOUS ANNUAL MEETING**

In view of the fact that copies of the minutes of the previous year's annual meeting had already been distributed to all stockholders in attendance, the stockholders, upon motion made and duly seconded, dispensed with the reading of said minutes and approved the same.

**IV. MESSAGE TO STOCKHOLDERS**

The President, Mr. Anthony Charlemagne C. Yu, delivered the Management's Message to Stockholders, as follows:

The evolution of the Empire East brand has allowed the company to effectively target the needs of an ever-changing market. Throughout our history, we have introduced exciting innovations in the property industry-all uniquely centered on our customers and the lifestyles they lead. From transit-oriented developments to resort-style communities, our projects are settings that empower people and enrich experiences. The products in our portfolio continue to resonate with Filipino homebuyers and investors, as seen in our performance in 2017.

Last year, Empire East's net income increased to P632 million, up from P601.7 million in 2016. Meanwhile, we registered real estate sales of P4.25 billion, which grew from P4.12 billion in 2016. Our numbers point not only to our consistency when it comes to our selling activities, but also our commitment to keeping our development and turnover timetables. In 2017, construction continued to be aggressive for 17 residential towers. We are set to finish and hand over some 5 to 7 towers this 2018.

While our leadership in the middle-income segment remains strong, we have always been receptive to new growth opportunities, allowing us to further expand our reach and capture a new breed of customers. It is interesting to note that over the past few years, Empire East's core market enjoyed increased affluence and purchasing power. The term, "affordable luxury" proved to be successful in positioning the company's offerings. However, the growing sophistication of the market presented us with the chance to refine our messaging and communicate what our developments have always offered-in a language that is in tune with a highly engaged, digitally connected and socially conscious audience.

Elite experiences come with the company's definition of affordable luxury. Empire East recognized the need to bring this message to the forefront, which is why the ELITE brand emphasizes

even more those projects that showcase increased mobility and accessibility to conveniences, less dense layouts, bigger unit cuts or upgraded amenities. These features translate to better experiences, a higher standard of living, and the kind of sustainability that is very important to the modern market today.

The company recently introduced the Paddington Place in Mandaluyong City under the ELITE brand. A total of 2,581 units make up the project, and the presence of penthouse units address the more upscale lifestyle requirements of a certain clientele. In addition, a smaller number of units per floor throughout the development satisfies the demand for lower density in the context of residential condominium living. Tower 1 of The Paddington Place has put 645 units on stream- it is currently 71 percent taken up.

An offering at The Paddington Place that we at Empire East are very excited about is a two-level lifestyle mall called "The Pad," which is an essential element of the community. It will be managed by Megaworld Lifestyle Malls, which has made retail developments such as Uptown Mall, Venice Grand Canal Mall and Southwoods Mall so successful.

Our six-tower Kasara project in Pasig City continues to be a powerhouse of a project where elite experiences are concerned. A leisure-motivated market that identifies strongly with the need for work-life balance and overall wellness has found in Kasara the qualities of an ideal future home. We have reached a 74 percent sales mark for this development, and such demand emboldens us to fast-track our development schedules.

Kasara Tower 1 and 2 are over 90 and 80 percent complete, respectively. Construction is also under way for the third and fourth towers.

Empire East plans to launch about 1,900 residential units for The Paddington Place and Kasara this 2018.

Sales for our Covent Garden in Sta. Mesa, Manila, and Mango Tree Residences in San Juan City, have reached the 90 percent and 60 percent mark, respectively. With their strategic locations and their diversity of residential options, we expect the take-up of these projects to grow at a steady pace this year. Meanwhile, our four-tower San Lorenzo Place in the Makati CBD is nearly sold out, with ready-for-occupancy units available at Tower 1 and Tower 2.

We at the company look forward to capitalizing on the future possibilities that will make our brand even more relevant to the ever-changing circumstances and sensibilities of Filipinos. Our land bank has P2.9 billion worth of properties, with an aggregate area of 404 hectares that will allow us to infuse our portfolio with new real estate concepts when we see the most advantageous opportunity.

Speaking of opportunity, the company saw the chance to actively grow its corporate social responsibility efforts in 2017. Our call to arms, "Empire East Cares," mobilized small-scale on-ground CSR activations that proved extremely personal to Team Empire East. Our activities- ranging from a feeding program and a partnership with Gawad Kalinga for the building of homes to reaching out to families affected by the Marawi conflict as well as art initiatives for elementary students- were recognized this May 2018 at the 6<sup>th</sup> PropertyGuru Philippines Property Awards.

During the same event, Empire East's The Rochester project in Pasig City was cited as "Highly Commended" in the category "Best Mid-End Property Development in Metro Manila."

While such recognition publicly affirms what the company is doing on a daily basis, we at Empire East are focused on giving our customers the best value through creative and innovative real estate projects that are also an abundant source of positive experiences. We are also committed to giving back to society as much as we are to being profitable as a business. Our confidence is high that Empire East will continue to achieve greater things, with the support of our customers, our stockholders and our stakeholders.

## V. OPEN FORUM

Below is a summary of the questions raised and answers given during the Open Forum:

Question: Good morning, regarding the Build Build Build project of our government. Does it really affect our economy or companies like Empire East?

Answer: In so far as the Build Build Build program of the government is concerned I think we have to take it in context. What is important for us is to remember what Sec. Pernia emphasized and that is, this administration has so far managed to do something, which the past administrations have not been

able to do. It has been able to sustain the high rate of growth typical of election years into the immediately post-election year. Whereas usually there was a dramatic slowdown that occurred in the year following election years in 2004 and 2010, this administration was able to sustain that growth right after that election year. And much of this was hinged on government spending to propel the growth of our economy. This was very clear when we look at the 2017 4<sup>th</sup> quarter data of the government where we see government consumption spending as well as public consumption spending increased by as much as 14 and 25 percent, respectively. Were it not for that last quarter spending, we would have gone down and suffered this post-election dip which the previous administrations have suffered as well. In the years ahead, the government's Build Build Build program will be the key booster for economic growth and we think that there are primarily two reasons for this. The first is, with high public construction activity, it will directly create thousands of new jobs, particularly construction related job and services, and thereby triggering the textbook multiplier effect. And when that happens, it goes to the second one, the infrastructure once they are in place, the new infrastructure will become a magnet for new investments, and investments will bring about new economic activity across agriculture, industry as well as services, further boosting the prospects in a longer term. Coupled with sustained structural reforms, the Philippine economy could ascend to a new plane similar to what happened to our ASEAN neighbors in the 1980s and 1990s. When our economy grows, the real estate sector will be the first beneficiary at all times, and when the real estate industry is benefited by that, actually your company, Empire East, will benefit from it. In short, the Build Build Build program has an impact on the company because it helps the economy, and a robust economy helps the real estate industry, and we're a very active part of that real estate industry. Therefore it has a direct consequence on Empire East and we are very happy and optimistic with that Build Build Build program of the government.

Question: I've read online and in the newspaper that Empire East was awarded as one with the best Corporate Social Responsibility. Congratulations for that, but can you tell us what these corporate responsibility efforts are and is there an allotment of your company budget for this program?

Answer: We are happy to share with you that recently, in a property awarding ceremony, we were given a special recognition for corporate social responsibility. It is the first award given by that body to any corporation. We would like to think that it is an affirmation that aside from generating income, our business does not neglect to give back to society. Most companies, as you know, have corporate social responsibility activities. We would like to think that our corporate social responsibility efforts were different that is why we were recognized by that awarding body. That relates also to your question whether or not there was a budgetary allotment for these efforts in corporate social responsibility. Empire East does not allot specific budget of the company for the corporate social responsibility activities. Whatever resources we have, we use them in order to build and complete our projects. All the initiatives of our corporate social responsibility projects were really initiatives of our people, with hardly any corporate resources being utilized. Some of the activities are the blanket project, a project intended to provide blankets for the victims of the Marawi siege. We started this during the Yolanda typhoon and we continued with it, and all the blankets that were used were actually donated by our sales agents, employees and officers of the company. Another activity was the art project. This was an art workshop where we adopted a small school in Laguna and we donated art supplies as well as school supplies to that school and not only did we do that, we even had an art workshop. The officers, from the President of the company, even went to the school a couple of times to teach the children. Where did we get the budget for that? Our marketing department has a number of old tarpaulins and billboards and they were just waste products to us, so they decided to sell all these old tarpaulins and billboards and the proceeds of that sale were used for this outreach program. Another one is the Proof- a housing program in which we partnered with Gawad Kalinga in order for us to build about forty housing units for displaced families, and all our officers- President down to all employees would go and build houses for these displaced families. And the last activity that we had was the Streets project. A program for the street children and their families. We gave them baskets and bags of groceries, and all these bags and baskets of groceries were voluntarily donated by our sales agents, our employees and our officers. If you look at our corporate social responsibility effort, unlike many companies, ours is not just giving money to an NGO, or giving money to people who are part of the marginalized sector. What we do is that we bring our own resources and not only that, we participate in it. And the reason why that is unique and that is important is because we would like to think that aside from just giving money, by asking everyone in the company to participate in this activity, it becomes a bonding activity also for the company. Secondly, we expose our people outside the confines of the corporate offices. And with that, what happens is that we are all able to see how lucky we are to be employed by a big company and it is now our duty and responsibility to reach out to others. We do all of these because we believe, as one American president said, that the test of real progress in our country is not whether we add more to the abundance of those who already have. The test for our progress is whether or not we provide enough for those who have too little. And I think, it is very clear that, in our country, there are a lot of people who have too little and we feel that it is not only our corporate responsibility but our individual responsibility to reach out to those in the marginalized sectors of society.

Question: I just want to ask, are there any upcoming projects for Empire East? I used to work in an advertising company and lately "*napansin ko, kumokonti iyong mga billboards along EDSA,*" is the company stable?

Answer: There was a period of time when the company advertised very heavily. This was the period when we had to continue to strengthen the brand name of the company and to distinguish it from the other brands, being the leading brand in the middle and upper middle income bracket of the market segment. Today, we are already reaping the benefit of that brand equity because of the investments in advertising. However, we have also recognized that there are other media for marketing purposes given the continuous changes in the marketing landscape. We continue to be very aggressive in all our marketing activities but we have also shifted the paradigm a bit in order to include digital marketing and we've seen that it has been very successful when we go into digital marketing.

As far as the stability of your company is concerned, let me assure you that Empire East is very stable. It has assets worth more than forty-two billion. We have trade receivables of about seven billion that we expect to collect through time and, as mentioned earlier, we have 404 hectares of land bank that would allow us to develop projects for the next seven or so years. Aside from that, the company continues to undertake construction activities in order for us to complete the things that we need to complete. As we said, we have seventeen towers simultaneously being constructed as of end December 2017, seven of which will be completed this 2018. We will have four additional towers that will commence construction in 2018. Also, the company continues to grow in terms of sales. Needless to say, we are majority owned by Megaworld which is the leading developer in the country in so far as high-end residential, commercial and office projects are concerned. So, in short, your company is not only stable but it continues to be very strong and continues to be the leader in the middle income sector of the market.

Question: Is leasing or rental of condominiums not challenging in the case of Empire East projects, considering that there is an influx of condominiums now in Metro Manila?

Answer: Actually, leasing or rental of residential units is not a business of Empire East. Recently, we've formed an internal group within Empire East to do leasing, not as a business, but as an after-sales service for our client. If you look at it carefully, the Empire East projects are known for our strategic location and that's the reason why we are the ones that pioneer the transport-oriented development in the Philippines. And to be able to be a transport-oriented development, you must be located in a strategic location. And the few non-resident investors that we have, that would lease their units to other people, would find it very easy to lease them out because of the strategic location. But we need to emphasize the fact that majority of our buyers are actually end-users and, because of that, you will see that the proportion of people buying and leasing it out is smaller compared to other developers because of the end-user market. And it is very easy to see whether or not they are end-user or not because all you have to do is go to our condominium projects at night and you will see how many units are lit, and you will see that most of the units in the Empire East projects are all lit up at night. That means to say they are all occupied. None of our projects are ghost towns. So in response to your question, we are not affected by the leasing market but our condominium units are easily leasable because of the strategic location that we have.

## **VI. ENGAGEMENT OF EXTERNAL AUDITOR**

The Presiding Officer informed the stockholders that the Audit Committee of the Board of Directors has recommended to the Board the engagement of Punongbayan & Araullo as external auditors of the Company for the audit of the its financial statements for the year ending 31 December 2018, and that the Board has approved such engagement.

Upon motion made and duly seconded, the stockholders approved the following resolution:

"RESOLVED, that the engagement of Punongbayan & Araullo as external auditors of the Company for the audit of the its financial statements for the year ending 31 December 2018, be approved."

## **VII. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE AND MANAGEMENT**

The Presiding Officer proposed the ratification of all acts of the Board of Directors, Board Executive Committee and Management, and all resolutions adopted by them during the period covering 1 January 2017 to 31 December 2017.

Upon motion made and duly seconded, the stockholders approved the following resolution:

"RESOLVED, that all acts of the Company's Board of Directors, Board Executive Committee and Management, and all resolutions adopted by them during the period covering 1 January 2017 to 31 December 2017, be ratified."

#### VIII. ELECTION OF DIRECTORS

The Chairman of the Meeting informed the stockholders that the Company would be electing seven (7) directors. He added that pursuant to the Securities Regulation Code, SRC Rule 38 and in relation to the SEC Memorandum Circular No. 6, Series of 2009 and its Revised Manual of Corporate Governance, the Company is required to have at least two (2) independent directors out of seven directors.

Mr. Ricardo B. Gregorio, on behalf of the Corporate Governance Committee, presented the Final List of Nominees to the Board of Directors, as follows: Mr. Cresencio P. Aquino and Mr. Alejo L. Villanueva, Jr. for independent directors, and Andrew L. Tan, Anthony Charlemagne C. Yu, Enrique Santos L. Sy, Kevin Andrew L. Tan and Evelyn G. Cacho for regular directors.

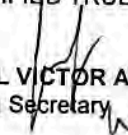
It was then moved and duly seconded that the nominees for independent directors, namely Cresencio P. Aquino and Alejo L. Villanueva, Jr. be elected as independent directors of the Company, and that Andrew L. Tan, Anthony Charlemagne C. Yu, Enrique Santos L. Sy, Kevin Andrew L. Tan and Evelyn G. Cacho, be elected as regular directors of the Company.

Since there were only seven nominees to the Board and considering the absence of objections, all the seven (7) nominees were declared elected to the Board of Directors.

#### IX. ADJOURNMENT

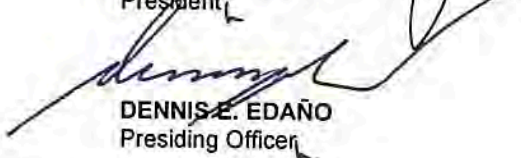
There being no other matters to discuss, the meeting was adjourned at 09:44 AM.

CERTIFIED TRUE & CORRECT:

  
AMIEL VICTOR ASUNCION  
Acting Secretary

ATTESTED BY:

  
ANTHONY CHARLEMAGNE C. YU  
President

  
DENNIS E. EDAÑO  
Presiding Officer