

EMPIRE EAST LAND HOLDINGS, INC.
Minutes of the Annual Meeting of Stockholders
13 June 2017
Grand Ballroom, Eastwood Richmond Hotel
17 Orchard Road, Eastwood City, Bagumbayan
Quezon City, Metro Manila, Philippines

Present:

Gerardo C. Garcia	-	Vice Chairman/ Independent Director
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
Dennis E. Edaño	-	Corporate Secretary

I. CALL TO ORDER

Mr. Gerardo C. Garcia, Vice Chairman of the Board, called the meeting to order at 9:18 AM and presided over the meeting. The Corporate Secretary, Atty. Dennis E. Edaño, recorded the proceedings of the meeting.

II. PROOF OF NOTICE AND DETERMINATION OF QUORUM

The Corporate Secretary certified that all stockholders of record as of 21 April 2017 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 continued growth of the company and its brand made 2016 a very rewarding year for Empire East. By emphasizing the lifestyle essentials that have made the company's developments true powerhouses, we have made our portfolio more visible and more personal to our market than before. We take pride in how our communities have taken shape over the years – they embody the kind of integrated, multi-faceted life we envisioned for its residents today.

Empire East is in a strong position to deliver value across multiple platforms. In 2016, net income reached P601.7 million, while the company and its subsidiaries registered revenues of P4.9 billion.

Successfully driving home distinct identities and advantages of each Empire East development has been key to our sales initiatives for the past year. We have been able to strategically connect with and communicate to our ideal customers across a diversity of backgrounds. As a result, our properties continue to find a highly engaged market in a competitive industry.

Our projects themselves speak of the company's strength and stability. Our communities are transformative – they have been designed not only to align with people's foremost life goals and fast-changing lifestyles, but also to define and set the bar for everyday experiences. Our

transit-oriented residential offerings are an example of how well-planned developments enjoy long-term relevance. The units at Little Baguio Terraces, Pioneer Woodlands and San Lorenzo Place are nearly sold out.

Empire East has further identified wellness in the home to be an ongoing focus of property buyers. The 7-cluster Rochester launched its first building seven years ago, but demand for its unique brand of home-based recreation has grown. Three clusters of the project Garden Villas 1, Garden Villas 2, and Breeze Tower are fully taken up, while Parklane, Palmridge and Hillcrest towers are approaching sold-out status. The same phenomenon holds true for Kasara, which has consistently drawn investors for its lifestyle amenities. Kasara's first and second towers sold out.

In the South, horizontal development is largely embraced. Virtually sold out, our The Sonoma project in Sta. Rosa, Laguna does us proud. Units at 1433 West Row, its upscale retail strip, have also been fully taken up. With the community's four residential phases complete, buyers have been fast-tracking the construction of their individual houses at the site.

Covent Garden and Mango Tree Residences, the new residential condominium offerings of the company, are enjoying brisk sales. Put on stream starting 2014, these developments represent a new breed of Empire East homes that are steadily entrenching themselves in the consciousness of a younger but still value-focused market.

Keeping to our construction timetables is a vital part of our business scorecard, and is integral to preserving our customers' trust. Our project development together with various external contractors have been exceptionally vigilant in monitoring and supervising the progress of construction for all company's projects. Consequently, our operational efficiencies have been sustained at high levels.

We take pride in how our communities have taken shape over the years – they embody the kind of integrated, multi-faceted lifestyle we envisioned for its residents today.

We are pleased to report that Tower 2 of Little Baguio Terraces is slated for turnover by end-2017, while units are being efficiently handed over at the higher floors of Pioneer Woodlands' Tower 1, Tower 2 and Woodland Park I. We expect to finish Tower 3 of San Lorenzo Place by yearend also. Already halfway complete are The Rochester's Parklane, Palmridge and Hillcrest towers. Nearing completion is Tower 1 of Kasara, while Tower 2 is more than halfway finished.

Set to be launched soon are new towers in Pioneer Woodlands, Kasara and Mango Tree Residences.

In 2016, the company spent P3.38 billion for its construction and development activities. We expect to incur P25 billion in construction costs over the next five years as we pursue the expansion of our development footprint in the years to come. To date, we have P2.9 billion worth of properties in our land bank, with a total aggregate area of 404 hectares. This land is not only a commitment to future profitability but also an inspiration to all of us at the company to keep pushing forward with our vision in mind.

To our shareholders, business partners, employees and clients: thank you for giving us a multitude of opportunities to positively impact the lives of Filipinos. It is Empire East's goal to forge ahead and mark even more milestones as we continue to seize new growth prospects.

V. OPEN FORUM

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

Question: Good morning Mr. President. My question is, there are many talks about the property bubble. There seems to be political instability also in the country since the President announced the possibility of declaring Martial Law in the entire country. How stable is Empire East for it to face possible storms at the present and in the future.

Answer: The talk about property bubble has been going on for some years now. As we can all see, all the developers in the country are thriving for the past several years and therefore we believe that the real estate industry continues to be very robust, it continues to be a very robust sector in our economy. In so far as your company is concerned, we can assure you that your company is

very stable. As we have reported earlier, the company has assets worth P38.55 billion, it has 404 hectares in its land bank, we have trade receivables amounting to P6.5 billion which we expect to collect in due time, we continue to have many construction activities simultaneously. In 2016, we have completed three towers that we have promised our clients. At present, fourteen towers are simultaneously being built by the company. In 2017, we shall commence the building of three additional towers and we have registered a growth in sales reaching P4.12 billion and added to that, I think its public-knowledge that the company is part of the Megaworld conglomerate which is the leading developer in the country so far as high-end residential developments, office spaces, malls, townships and among others. So we can assure you that the company is very strong and very stable.

Question: I've been stockholder of the company for almost 20 years and all throughout this 20 years I haven't get any dividends, not even once. On other words, "*natutulog yung pera ko*" and recently we noticed that the company's shares have been plunging, usually it hovers below par value of 98 or 95 but now it's around 68. I don't know the shares right now but I think the rate is around 0.68 centavos. In other words, "*hindi lang natutulog yung pera ko , nawawalan pa ng halaga.*" What is happening to the company? Why can't we give dividends? I've seen companies which are smaller than Empire East, they are able to give dividends because their net income compared to their sales is high. One of the reasons may be is that they have a higher recurring income. What is the recurring income of the company and what is the earnings per share of the company right now?

Answer: Thank you very much for your question. First, in so far as the dividends are concerned, I think we had stock dividends before but we have stopped giving dividends and the decision of the board is not to give dividends this year. The reason for that is because of the continuous growth and expansion of the company, especially considering that we are using the money in order for us to continue the construction and development and in fact we have obtained some loans to do that. So for us to borrow in order to give dividends would not be a very prudent decision. In so far as the recurring income is concerned, the company constructs and develops and sells condo units and therefore we do not go into leasing business. However we are starting to look into that, that's the reason why we have properties like Broadway Centrum, etc., which we will intend to develop into commercial spaces where we will have recurring income.

Question: So what is the earnings per share?

Answer: The earnings per share is 0.041, thank you.

Question: I watched your interview on the television and I'm impressed with how Empire East have gone all the years. As a stockholder of Megaworld, I like the fact that your team has contributed directly to the mother company by taking charge of the very successful project Manhattan Garden City and you mentioned in your interview that reservation sales exceed P1 billion. Does this figure include Manhattan Garden City and how do you foresee sale in 2017 compared to 2016?

Answer: Your question is whether our reservation sales which is reported to exceed P1 billion every month is a combined reservation sales of Empire East and Manhattan Garden City which we also take charge of, or whether independently Empire East alone, the sale monthly will exceed P1 billion. Well, we're happy to report to you that Empire East on its own, on a monthly average, the sales exceed P1 billion every month and in 2016, our reservation sales for instance would amount to P13 billion. So whether without Manhattan Garden City component, we are exceeding P1 billion reservation sales per month. If you combine that with that of Manhattan Garden City, total sales of the group will be P14.7 billion. The 2017 figures that you are asking is not yet available, but so far, what we have internally we can tell you, the sales in 2017 is even better than 2016. So we are very hopeful that we'll be able to sustain the high rate of reservation sales for this year.

Question: I just want to know, since your competitors are launching many projects outside the Metro, which is traditionally the strength of Empire East, I'm just wondering are there any plans for you to develop outside Manila?

Answer: Yes, we have been very strong in horizontal development outside Metro Manila. Projects like Laguna Bela Air and other projects in Cavite and Laguna have done exceptionally well, but we did not stop even if today we have a bigger concentration of our projects in Metro Manila. As we reported, we have The Sonoma development which was very successful and is completely sold out. At present we are now exploring the possible developments both within and outside Metro

Manila. We are in fact looking at some of the properties in our land bank to determine whether or not it is right for development. As you know, the choice of properties depends a lot on timing. So the short answer to your question is, yes, there are plans to develop outside Metro Manila in order for us to replicate the successes that we have had in projects like Laguna Bel Air.

Question: My question is, has President Duterte's policies affected the real estate sector in general and Empire East in particular?

Answer: For those of us in the business sector, one of the most important things is to develop the enterprise in such a manner that it should be able to perform whatever the external environment is. And as long as we do our best, we believe that we are contributing to the economy whichever administration is in power. This will remain our objective with any administration, this administration or any other future administration. In so far as your particular question is concerned, the incumbent president – President Duterte, we share the sentiments of all the top economists in the country and all the business leaders in the country that the thrust of this administration to build, build and build infrastructure projects would all go well for our economy and for the real estate sector in particular. Now if it is good for the economy, it is good for the real estate sector, it will redound to the benefit of Empire East.

Question: My question is, how are you affected by the incident in Resorts World since you belong to the same corporate family? Will Empire East suffer financially as a result of that incident?

Answer: There is really no privity between Resorts World and our company. That should be the answer. But let me just respond by giving forward two points. One, Resorts World is owned and managed by a separate publicly listed company, and it has been managed very well for many years now. And the second point that we would like to put forward is that we in Empire East join the nation in mourning the senseless loss of lives and we condole with the families of those who are affected. Beyond that I think it is more prudent for me not to comment further regarding that issue.

VI. AMENDMENT OF THE ARTICLES OF INCORPORATION

The Presiding Officer informed the stockholders that the Board of Directors has approved the amendment of the principal office of the Corporation to 12th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City, 1634, Metro Manila, Philippines and would like to submit the said amendment for approval.

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

"RESOLVED, that the Corporation amend the Third Article of its Amended Articles of Incorporation to read as follows:

THIRD: That the place where the principal office of the Corporation is to be established or located is at the 12th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City, 1634, Metro Manila, Philippines.

"RESOLVED, FURTHER, that any one of the officers of the Corporation be, as each of them is hereby, authorized and directed to execute and deliver the necessary certificates and other documents with the Securities and Exchange Commission and other government agencies and perform all actions as may be necessary to fully implement the foregoing resolutions."

VII. 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 2017, 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 2017, be approved."

VIII. 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 2016 to 31 December 2016.

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 2016 to 31 December 2016, be ratified.”

IX. 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 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 Nomination Committee, presented the Final List of Nominees to the Board of Directors, as follows: Mr. Gerardo C. Garcia 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 Alejo L. Villanueva, Jr. and Gerardo C. Garcia 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.

X. ADJOURNMENT

The meeting was adjourned at 09:25 AM.

CERTIFIED TRUE & CORRECT:



DENNIS E. EDAÑO
Corporate Secretary

ATTESTED BY:

GERARDO C. GARCIA
Chairman of the Meeting

ANTHONY CHARLEMAGNE C. YU
President