

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
OF  
**ARTHALAND CORPORATION**  
*Held at SEDA Hotel Bonifacio Global City, Taguig City and via Zoom®*  
*Friday, 30 June 2023*

<u>Total Common Shares Present</u>	3,727,784,519 <sup>1</sup>
<u>Total Preferred Shares Present</u>	0
<u>Total Number of Common Shares Outstanding and Entitled to Vote</u>	5,318,095,199

Directors Present

Mr. Ernest K. Cuyegkeng	Chairman of the Board
Mr. Jaime C. González	Vice Chairman and President <sup>2</sup>
Mr. Ricardo Gabriel T. Po	Vice Chairman <sup>3</sup>
Mr. Cornelio S. Mapa, Jr.	Treasurer and Executive Vice President
Mr. Jaime Enrique Y. González	Director
Mr. Christopher Paulus Nicolas T. Po	Director
Ms. Denise Loreena V. de Castro	Independent Director <sup>4</sup>
Mr. Hans B. Sicat	Independent Director

Incumbent Directors Absent

Mr. Fernan Victor P. Lukban	Independent Director <sup>5</sup>
Mr. Andres B. Sta. Maria	Independent Director

In Attendance

Mr. Christopher G. Narciso	Executive Vice President
Mr. Oliver L. Chan	Head of Sales Operations
Mr. Alex D. Miguel	Technical Services
Mr. Richard C. Naval	Technical Services
Ms. Sheryll P. Verano	Head of Strategic Funding and Investments and Investor Relations Officer
Ms. Marivic S. Victoria	Chief Finance Officer
Ms. Leilani G. Kanapi	Head of Strategic Procurement
Ms. Ma. Angelina B. Magsanoc	Corporate Communications, Brand and Reputation Management
Mr. Clarence P. Borromeo	Head of Information Technology and Data Privacy Officer
Mr. Michael Angelo A. Austria	Head of Human Resources and Administration
Mr. Joseph R. Feliciano	Head of Internal Audit and Risk
Mr. Aristides Antonio C. Gonzales	Head of Business and Project Development
Atty. Riva Khristine V. Maala	Corporate Secretary and General Counsel
Atty. Margeline C. Hidalgo	Assistant Corporate Secretary and Legal Counsel
Mr. Roman Felipe Reyes	Chairman, Reyes Tacandong & Co.

<sup>1</sup> Consisting of CPG Holdings, Inc., AO Capital Holdings 1, Inc., Elite Holdings, Inc., Manchesterland Properties, Inc., Jesus San Luis Valencio, and the members of the Board of Directors.

<sup>2</sup> Chairman of the Stock Option and Compensation Committee and the Executive Committee

<sup>3</sup> Chairman of the Governance and Nomination Committee and Vice Chairman of the Executive Committee

<sup>4</sup> Elected on even date.

<sup>5</sup> Chairman of the Audit and Risk Committee

Mr. Protacio Tacandong	Managing Partner, Reyes Tacandong & Co.
Ms. Michelle R. Mendoza-Cruz	Partner-in-Charge, Reyes Tacandong & Co.
Mr. Manuel Buensuceso Jr.	Partner, Reyes Tacandong & Co.
Ms. Kim Elizabeth V. Maxwell	BDO Unibank, Inc. -Trust and Investments Division
Ms. Gigi C. Arcaba	BDO Unibank, Inc. -Trust and Investments Division
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**I. Call to Order**

Chairman Ernest K. Cuyegkeng called the meeting to order at 9:05 A.M. and presided over the same. The Corporate Secretary, Atty. Riva Khristine V. Maala, acted as Secretary of the meeting and recorded the minutes of the proceedings. The meeting was conducted in person and *via* remote communication.

**II. Proof of Due Notice of Meeting/Determination of Quorum**

The Secretary confirmed that the notice of this meeting was published on 07 and 08 June 2023 in the Philippine Star and the BusinessWorld, both newspapers in general circulation, in print as well as in their respective online platforms, following the directives of the Securities and Exchange Commission. The sworn Affidavits of Publication from PhilSTAR Daily, Inc., the corporation which publishes the Philippine Star, and from the BusinessWorld, both dated 08 June 2023, were noted and made integral parts of the meeting materials.

The Notice of the meeting was also uploaded to the Corporation’s website [www.arthaland.com](http://www.arthaland.com) and that of the Philippine Stock Exchange on 09 June 2023, together with the Information Statement and other relevant meeting materials in compliance with the latest mandates of the Securities and Exchange Commission and the Philippine Stock Exchange on the calling of annual meetings in person and/or through remote communication.

The Secretary declared that stockholders owning 3,727,784,519 common shares or 70.10% of the total outstanding common shares of the Corporation were present either in person or by proxy, and such constituted more than fifty-percent (50%) of the outstanding capital stock of the Corporation. The Secretary then certified that a quorum existed for the transaction of business by the stockholders.

The Chairman thereafter introduced Vice Chairman and President Jaime C. González and Atty. Maala as members of the panel for the meeting. He also acknowledged the presence of some of the incumbent members of the Board and other attendees, including the audit partner from Reyes Tacandong and Co., the Corporation’s external auditor, and the representatives of BDO Unibank, Inc.-Trust and Investments Division, the Corporation’s stock transfer agent.

**III. Approval of Minutes of Previous Meeting**

The Chairman stated that the minutes of the Annual Stockholders’ Meeting held on 24 June 2022, a copy of which had been previously posted on the Corporation’s website, were for consideration.

The minutes were then shown on screen.

At this point, the Chairman announced that stockholders of the Corporation which hold at least 50% of the total outstanding capital stock, namely, CPG Holdings, Inc. (CPG), AO Capital Holdings 1, Inc. (AOCH1), Elite Holdings, Inc. (Elite), and Manchesterland Properties, Inc. (MPI), will vote in favor of the approval of the minutes of the Annual Stockholders’ Meeting held on 24 June 2022.



There being no comments, on motion made, duly seconded and carried, with no objection raised, the Minutes of the Annual Stockholders' Meeting held on 24 June 2022 were approved, as presented, by all the stockholders present, to wit:

<u>Vote</u>	<u>Number of Votes</u>	<u>Percentage of Shares Represented</u>
Yes	3,727,784,519	70.10%
No	0	0
Abstain	0	0

and the following resolution was passed:

Approval of Minutes of Annual Stockholders' Meeting of 24 June 2022

“RESOLVED, that the Minutes of the Annual Stockholders' Meeting of 24 June 2022, as presented, be, as it is hereby, APPROVED and CONFIRMED.”

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#### IV. Management Report

Before Vice Chairman and President González presented the Management Report, he acknowledged the presence of the representatives from Mitsubishi Estate Asia Pte. Ltd., Help Holdings, Inc., Arch Capital Management Company Limited (Arch Capital), BDO Unibank, Inc., BDO Capital & Investments Corporation, ING Philippines, Philippine National Bank, PNB Capital and Investment Corporation, Bank of the Philippine Islands, Robinsons Bank, Asia United Bank, China Trust Banking Corporation, Union Bank of the Philippines, and Philippine Rating Services Corp. (Philratings).

Those attending *via* remote communication were reminded that there was a Q&A button on their respective screens which they could use in case they had any questions, and that they will be addressed after the presentation.

Vice Chairman and President González then proceeded to present the significant milestones of the Corporation for the past year up to the date of this meeting.

In 2022, the real estate sector gathered momentum as restrictions related to the COVID-19 pandemic were progressively lifted. Against this economic backdrop, the Corporation focused on its long-term strategic objectives. Steps were taken to secure the growth of the Corporation's portfolio of highest quality, consisting of sustainable projects that will be accessible to multiple market segments. The Corporation further moved to increase its portfolio of properties that will provide lease revenues as a source of recurring income. These allowed the Corporation to achieve several milestones over the past year which further solidified its track record, and which will contribute to earnings in years to come.

2022 was a banner year for the Corporation in terms of the completion of its major projects, namely, Cebu Exchange, the North and South Towers of the Savya Financial Center, the first tranche of Sevina Park Villas, and the commercial lots in Sevina Park Arcades. These projects have a combined gross floor area and gross developable area of 195,000 square meters (sqm) with an estimated gross development value of ₱25.9 billion. The completion of these projects allowed the Corporation to strengthen the trust of its buyers in the Arthaland brand, boost liquidity, and increase its leasing portfolio to support its long-term objectives.

Phase 2 of Cebu Exchange was successfully handed over in April 2022 following the handover of Phase 1 in September 2020, consistent with pre-pandemic handover dates. With a gross floor area of about 11 hectares in a single tower, Cebu Exchange has the distinction of being the largest green office tower in southern Philippines.

The Management team faced the incredible challenge of completing Cebu Exchange given the restrictions imposed on construction sites and the additional measures needed to ensure the health and safety of the construction workers and technical team. This achievement was the result of close coordination with the general contractor and the Corporation's conservative approach to project planning wherein sufficient flexibility was built in project timelines.

In May 2022, the Corporation marked the inauguration of Cebu Exchange together with its program towards Advancing Net Zero Cebu. Achieving Net Zero means designing a building to achieve at least 40% energy savings compared to a conventional building and subsequently sourcing energy requirements from a renewable energy source to achieve zero emissions. Through Cebu Exchange and its on-going residential project, Lucima, the Corporation leads the green revolution in Cebu. Committing to net zero is more critical than ever especially for Cebu which recently saw the catastrophic effects of climate change following the damage from Super Typhoon Odette in 2021.

As of end of May 2023, reservation contracts amounting to approximately ₱9.5 billion covering 86% of Cebu Exchange's net saleable area have been executed.

In January 2022, the Corporation initiated the handover of the North Tower of Savya Financial Center and the inauguration of the South Tower in October 2022. Savya Financial Center is a two-tower office development located in Arca South, Taguig City which is projected to be the most highly connected CBD in Metro Manila. The North and South Towers of Savya Financial Center have a combined GFA of approximately 60,000 sqm and have been designed with leading sustainable building features.

In October 2022, a ribbon-cutting and inauguration ceremony for Savya Financial Center was led by President Ferdinand Marcos, Jr.

As of the end of May 2023, reservation contracts amounting to approximately ₱4.9 billion covering 74% of the project's net saleable area have been executed.

The Corporation also successfully launched new projects over the past year, namely, Eluria in Makati City, and Una Apartments and Sevina Park Arcades in Biñan, Laguna, with a combined gross floor area and gross developable area of approximately 127,000 sqm and a combined gross development value of ₱22.7 billion. The launch of these projects allows the Corporation to meet three strategic objectives: first, these projects substantially complete the Corporation's 5x in 5 years growth objective; second, the Corporation will achieve diversity in terms of product type, geographic location and markets served; and, finally, these projects contributed to the Corporation's revenues beginning the second quarter of 2022 and it will do so beyond 2030.

Eluria, launched in November 2022, is a sustainable luxury residential development in Rada Street in Legazpi Village, Makati City. It is being developed by the Corporation in partnership with a real estate investment firm, Arch Capital. It will have a total gross floor area of approximately 14,600 sqm. It is pre-certified LEED Gold and is registered under the WELL, EDGE and BERDE programs.

As the Corporation's pioneer development in Makati, Eluria is an ultra-low density multi-certified project which will offer spacious limited edition designer homes and will feature exceptional white glove service. The hospitality directors of Eluria will receive training from the renowned International Butler Academy in the Netherlands, which has worked with prestigious clients, including royal families, high-worth individuals and luxury hotels and resorts.

As of end of May 2023, reservation contracts amounting to approximately ₱1.4 billion covering 27% of the project's net saleable area have been executed. The project is on track for its scheduled completion by the fourth quarter of 2025.



The Corporation remains the foremost sustainable developer and the only one with a development portfolio which is composed entirely of certified sustainable projects. The new certifications achieved for various projects were shown next.

Cebu Exchange achieved EDGE Advanced Preliminary Certificate exemplifying savings in energy use, water use, and embodied energy in materials. In addition, it was given the highest 5-Star sustainable rating under BERDE, and in August 2022, attained LEED Gold certification. It also successfully renewed its WELL Health-Safety Rating seal in February 2023. The WELL Building Standard of the International WELL Building Institute (IWBI) focuses on the performance of the building relevant to the health and wellness of its occupants. These solidified the position of Cebu Exchange as the largest sustainable building in the country which also prioritizes the health and safety of its staff, building occupants, owners and visitors.

Arya Residences Tower 1 has officially shifted to 100% offsite renewable energy while Tower 2 is scheduled to likewise shift to 100% renewable energy by this year.

The Health Safety Rating of Arthaland Century Pacific Tower under the WELL Building Standard (WELL) was successfully renewed in January 2023.

The financial performance of the Corporation for 2022 was thereafter reported.

In 2022, the favorable market momentum resulting from the gradual lifting of restrictions allowed the Corporation to execute new sales reservation contracts across its active projects amounting to ₱4.5 billion, which was more than three times higher than the value executed in 2021. Almost 49% or about ₱2.3 billion of new reservation sales contracts in 2022 was attributed to the successful launch of two residential projects, Una Apartments and Eluria, which serve to bring the Corporation's brand of sustainable, top-quality projects to both the luxury residential segment and to the broader mid-market segment. Following accounting standards for revenue recognition, Eluria and Una Apartments will only start contributing to the Corporation's reported revenues within 2023 and 2024, respectively. These projects are expected to contribute over ₱21.0 billion in incremental gross development value over five to ten years from initial revenue recognition.

The Corporation's total revenues is approximately ₱2.9 billion, which essentially maintains the revenues reported in 2021. The launch of Eluria and Una Apartments broadened the Corporation's market and the retention of ₱1.8 billion office and retail units in Cebu Exchange will boost recurring revenues from leasing operations.

The Corporation reported income before tax of ₱1.25 billion for 2022, which is approximately 9% higher over the amount reported in the previous year.

However, net income for 2022 was at ₱873.0 million which is about 22% lower than the net income reported in 2021 despite the higher income before tax in 2022. This is attributed to the substantial one-time income tax benefit recognized in 2021 following the implementation of the CREATE Law.

Cash and cash equivalents were at ₱7.0 billion, which registered an increase of approximately 11% over the cash position in the previous year. This was attributed to the successful completion of fund-raising efforts during 2022. Assets increased to ₱36.4 billion in 2022 from ₱34.7 billion in 2021 due to the construction progress and sales efforts, the inflow of fresh funds, and the increase in value of the Corporation's investment properties.

Despite the increase in net interest-bearing debt to ₱10.6 billion in 2022 from ₱10.1 billion in 2021, net interest-bearing debt to equity ratio further improved to 0.88x from 0.91x in the previous year. The reason for this is, while there is an increase in interest-bearing debt, a substantial portion remained in the form of cash and cash equivalents as of year-end 2022 to support the expected liquidity



requirements of the Corporation's projects. Its leverage ratio continues to be within the internal guidance cap and the financial covenants under the loan agreements with partner banks, as well as the trust agreement for the ASEAN Green Bonds Program.

The Corporation likewise continued to create value for its shareholders as shareholder's equity increased to ₱12.1 billion in 2022 from ₱11.1 billion in 2021. This led to an 11% increase in book value per share from ₱1.05 in 2021 to ₱1.16 in 2022. Meanwhile, earnings per share declined to 10.75 centavos per share in 2022 from 12.96 centavos per share in 2021 due to the substantial one-time tax benefit from the implementation of the CREATE Law in 2021.

The financial performance of the Corporation for the first quarter of 2023 was also reported.

The favorable market momentum in 2022 continued into the first quarter of 2023 during which the Corporation executed new reservation sales contracts amounting to approximately ₱3.8 billion, which was over 9x the value executed over the same period in 2022. The Corporation recognized revenues of ₱835.0 million for the first quarter of 2023 which reflected a 70% increase over revenues in the first quarter of 2022. The substantial increase in revenues during this period is aligned with the continued momentum observed in the real estate sector following the lifting of COVID-19 restrictions, increased mobility and return-to-office protocols. The growth in revenues is also attributed to the successful closing of the commercial lot sale transactions in Sevina Park Arcades which benefited from its proximity to the CALAX exit and other infrastructure developments in the area. Finally, it was highlighted that the revenues for the first quarter of 2023 do not yet reflect any contribution from Eluria and Una Apartments following accounting standards for revenue recognition. Cumulative reservation sales amounted to ₱3.2 billion as of the end of May 2023 for these two projects.

The gross margin was substantially maintained at 52%. The Corporation continues to enforce rigorous watch over its project costs as it awards new contracts for Una Apartments and Eluria this year.

Finally, the Corporation reported net income of ₱142.0 million. The amount of net income is substantially maintained compared to the net income reported over the same period last year despite higher revenues reported in the first quarter of 2023. This is mainly due to finance costs related to Cebu Exchange and Savya Financial Center which were capitalized in the first quarter of 2022, but which were expensed directly in the first quarter of 2023 following the completion of these projects in the second quarter last year. Under current standards for financial reporting, borrowing costs which are directly attributable to projects under construction are capitalized as part of project cost until construction completion.

Net interest-bearing debt to equity ratio improved to 0.9x from 0.94x over the previous year even as additional financing was obtained from the issuance of the Tranche 2 ASEAN Green Bonds. The leverage ratio is still well within the internal guidance caps and financial covenants. The Corporation will continue to keep a close watch over its leverage position and employ risk mitigation strategies such as ring-fencing of projects and actively seeking out joint venture partners going forward, all of which is consistent with its conservative financial management approach.

Shareholder's equity increased to ₱12.3 billion from ₱11.3 billion as of the end of first quarter of 2022. The book value per share increased by about 10% to ₱1.17 per share from ₱1.06 per share also as of the end of the first quarter of 2022.

The Corporation believes that sustainable living should be accessible to all. Thus in 2022, it committed to building sustainable socialized homes and undertook the rehabilitation of, and the incorporation of sustainable features to, calamity-hit public schools. The sustainable socialized home program of the Corporation will be undertaken in partnership with the local government units which will provide the site for these projects and with NHMFC which will provide the financing options for buyers of these socialized homes.



In September 2022, the grand launch of Una Apartments and the groundbreaking ceremony for the first of its six (6) towers in Sevina Park was held. Una Apartments will have a total gross floor area of approximately 86,900 sqm which will offer a living experience that is “One Step Above”, with its host of sustainable and wellness features, exceptional quality and superior design.

With unit prices which started at ₱4.5 million, the project is designed to be the Corporation’s initial offering to the broader mid-market segment. Despite the more affordable price, Una Apartments will have quadruple sustainability certifications under the LEED, WELL, EDGE and BERDE programs and will carry the highest quality which all of the Corporation’s projects are known for. Residents will enjoy 60 percent green and open spaces with access to a health and wellness clinic, in partnership with The Medical City.

Since its launch last year, reservation contracts for the first tower of Una Apartments amount to approximately ₱1.8 billion to date, covering 76% of the total inventory. The strong market response reflects demand for sustainable developments from the broader mid-market segment. The project is on track to start construction by the third quarter of 2023, in line with the delivery of the project by the end of 2026.

The Corporation partnered with IKEA on Una Apartments so that each unit is delivered fully furnished with IKEA products. In addition, all units in Una Apartments will be equipped with Energy Recovery Ventilator (ERV) which will improve indoor air quality by bringing in fresh, filtered air for its residents and by controlling humidity for thermal comfort. Units are more spacious with a high floor-to-ceiling height of 2.6 meters. The floors are also made with Stone Polymer Composite which is more durable, water and scratch resistant, and easier to clean.

In the last quarter of 2022, the Corporation launched Sevina Park Arcades, the area in Sevina Park that offers commercial lots for sale and retail spaces for lease to service the requirements of the community and beyond. The Sevina Park Arcades is envisioned to be the vein where activity and community will grow with the commercial establishments on the ground floor of mid to high-rise buildings. It will provide a carefully selected retail experience offering a selection of restaurants, coffee shops and essential boutiques for the Sevina Park community.

All commercial lots for sale were sold as of February 2023. This translates to ₱1.1 billion in sales and signifies strong interest in the value of its location.

Over the past year, the Corporation also achieved significant project milestones in terms of construction progress for its on-going projects, strengthened its leasing program, and established partnerships that will benefit its clients.

As of 20 June 2023, Lucima, the Corporation’s premier, multi-certified, sustainable residential project in Cebu Business Park, is 54% completed and has reached the 28<sup>th</sup> floor of this 37-storey development. It is expected to achieve structural top-off by August 2023, and is scheduled to be completed by the fourth quarter of 2024.

The lease contract covering 16,700 sqm of office space in Cebu Exchange was successfully executed this year with Concentrix, the leading global provider of customer experience solutions. This was a landmark partnership deal which covered the largest office take-up and commercial value in Southern Philippines.

The first tranche of Sevina Park Villas composed of 43 villas is targeted to be completed within the third quarter of 2023. A community filled with spaces that encourage an active lifestyle - Sevina Park Villas will provide residents with seamless access to a variety of experiences that encourage fun and healthy living.

In 2022, the Corporation executed a partnership agreement with the National Home Mortgage Finance Corporation (NHMFC) for its Balai Berde financing program which allows the Corporation's buyers to finance up to ₱6.0 million of the purchase price of their residential units with up to 30-year loan terms at a fixed preferential rate of as low as 4.5% per annum. An essential condition of the financing is that the project must have obtained certification under the International Finance Corporation (IFC) EDGE program. The IFC is a member of the World Bank Group. EDGE, which stands for Excellence for Design and Greater Efficiencies, is a rating system of the IFC which focuses on energy efficiency, water efficiency and indoor environmental quality. Given that the residential projects of the Corporation are all registered and on-track to achieve EDGE certification, the partnership with the NHMFC will potentially benefit qualified buyers of its residential projects.

The Corporation was able to complete its biggest projects and launch new ones by ensuring robust funding.

In December 2022, the Corporation successfully raised ₱3.0 billion from the second and final tranche of its ASEAN Green Bond Program. A substantial portion of the proceeds from the offer will fund the required investment of the Corporation in new certified sustainable residential projects which will allow the Corporation the flexibility to develop and launch these within the next 10 years or more. A portion of the proceeds from the issuance will also be used to provide continued financing for Arthaland Century Pacific Tower.

The ₱3.0 billion Tranche 2 ASEAN Green Bonds offering was awarded Green Project Deal of the Year under the category Best Deals – ASEAN in The Asset Triple A Sustainable Infrastructure Awards 2023. With a remarkable legacy of over two decades, The Asset Triple A Awards have been regarded as one of the most prestigious awards in banking, finance and capital markets in the Asian region. The Corporation is honored to receive this recognition and to add it to its other achievements as it validates its efforts in holding itself to the highest standards in terms of capital raising and sustainability.

The Corporation's Tranche 1 and 2 ASEAN Green Bonds offering achieved a credit rating of PRS Aa with Stable Outlook by the Philippine Rating Services Corp.

The Corporation also successfully arranged ₱6.0 billion in the form of term loans for new projects, CTS facilities, and short-term loans for the Corporation and its projects. These successful fundraising endeavors highlight the continued support that the Corporation receives from its banking partners and are reflective of the trust and confidence placed on the Corporation for which it is extremely appreciative.

The new milestones achieved over the past year to further the Corporation's commitment to sustainability were presented next.

The Corporation is the first real estate developer in Asia and the first signatory from the Philippines to the Net Zero Carbon Building Commitment of the World Green Building Council. As a signatory to this program, the Corporation officially committed to decarbonize its entire portfolio by 2030.

The growing operational development portfolio of the Corporation consisting of Arya Residences, Arthaland Century Pacific Tower, Cebu Exchange and components of Sevina Park such as the Courtyard Hall, the Sales Pavilion and Villa model units, achieved remarkable results for the year ending 2022. During this period, there were 59% energy savings, 58% water savings and 78% greenhouse gas emissions reduction, outperforming the targets of 40% energy savings and 20% water savings compared to a conventional building in the same location.



The Corporation is one of the pioneering members of the Net Zero Carbon Alliance. Launched by the Energy Development Corporation (EDC), the Net Zero Carbon Alliance is a multi-sectoral movement towards attaining net zero carbon emissions among businesses in the Philippines. The Net Zero Carbon program provides partners a roadmap to achieve carbon neutrality by sharing best practices, scaling up carbon emission reduction and tracking, and providing better access to green financing, among many other capacity-building tools.

The Corporation also initiated the Sustainability Partners Circle with a mission to collectively advance health and wellness through design. It aims to put together like-minded organizations and businesses in taking steps towards a sustainable future. Through shared insights with partners, the Corporation strives to create a better tomorrow with state-of-the-art solutions. Since its launch, the Sustainability Partners Circle gathered partners such as One World Deli, Messy Bessy, Power Mac Center and All British Cars, official retailer of Jaguar and Land Rover vehicles in the Philippines.

The Corporation firmly believes too that the appreciation of art, history, and culture is a crucial aspect of being the foremost sustainable developer. Consistent with the United Nation's Sustainable Development Goals, promoting sustainable development includes, among others, the appreciation of cultural diversity and of culture's contribution to sustainable development. In recognition of this belief, the Corporation is proud to have been chosen by the Cultural Center of the Philippines to host their inaugural off-site exhibition titled "Details & Abstractions: Selections from the CCP 21AM Collections" at Arthaland Century Pacific Tower. The exhibition took place from 14 October to 13 November 2022, at the ground floor lobby, featuring select ethnographic materials and fine art prints.

The Corporation was also featured by the Business Reporter of the UK in their story entitled *Green Buildings that Don't Cost the Earth*. In this 6-minute video, the Corporation has shown that it is possible to develop sustainable projects while still achieving profitability targets. The Corporation shared its conviction that sustainable development is not just a concept, but a philosophy that is evident in all projects of the Corporation. Building sustainable legacies and taking care of the environment for future generations is a critical concept, and the Corporation is committed to contributing to this cause.

The Corporation was honored to be recognized as an EDGE Champion by the IFC in the recent EDGE Champions Summit Asia 2023 held in Singapore. EDGE Champions are companies who collaborate with IFC to accelerate the adoption of green building options in their respective markets. The unwavering commitment of the Corporation to effect positive change is exemplified by this recognition, as it pledges to certify its entire real estate portfolio with EDGE.

Lastly, the Corporation continues to build Potager Gardens to make edible and medicinal plants and herbs accessible to residents and tenants. The next installment of the Potager Gardens is at Sevina Park which will showcase the integration of edible landscaping, incorporating fruit, vegetables, herbs, and flowers, to create a harmonious blend of nature and urban development. These will be highlighted in the new book which is targeted for release by the end of the year. The Garden of Simples at the Terrace Garden level of Cebu Exchange and the Potager Garden at Savya Financial Center are also being completed. From the Garden of Simples, tenants of Arthaland Century Pacific Tower and Cebu Exchange can share in the harvest of organic herbs and plants which have medicinal benefits and natural remedies to common ailments.

In summary, the Corporation celebrated the achievement of major milestones over the past period as it saw stronger indications of recovery in the real estate sector although with continued challenges brought about by the lingering effects of the pandemic as well as bottlenecks in the supply chains. The Corporation marked the completion of Cebu Exchange, Savya Financial Center, Sevina Park Arcades and units in Sevina Park Villas. The Corporation also launched two (2) new projects, Eluria and Una Apartments, which bring the Corporation's mark of quality and sustainability to both the luxury market segment and the broader mid-market segment. The necessary funds were successfully raised to allow the Corporation to actively pursue its focused land acquisition strategy to ensure a robust pipeline of projects over the next 10 to 15 years. The commitment of the Corporation to sustainability



is stronger than ever as it rose to the challenge of bringing it to as many people as possible through its sustainable socialized housing program. These were all possible because the Corporation was steadfast in taking a strategic and long-term view in decision-making despite short-term issues during the pandemic. At the height of the pandemic, the Management team worked tirelessly to meet pre-pandemic completion and handover schedules, continued with planning to launch new projects and pursued discussions to acquire new properties.

The Management Report ended with Vice Chairman and President González thanking the Management team, stockholders, joint venture and banking partners, investors and arrangers of the Corporation’s financial offerings, the members of the Board, and other partners, for what the Corporation has achieved for 2022.

The floor was thereafter opened for questions. The Chairman reminded those online of the Q&A button on their screens to input any queries and further suggested that participants indicate their names so that in the event there is no sufficient time to answer questions live, Management will respond *via* electronic mail.

Below were asked anonymously online and were answered live by members of Management:

Questions	Answers
1. We saw better figures in terms of reservations sales this year as compared to last year. Why is this not felt in terms of financial performance for 2022?	<u>Chief Finance Officer Marivic S. Victoria</u> : Out of the ₱4.5 billion new reservation sales for the year ending 2022, ₱2.25 billion pertains to reservation sales from <u>Una Apartments</u> and <u>Eluria</u> . However, this amount is not yet reflected in the financial statements for 2022 given that financial reporting standards require projects to achieve certain construction milestones to initiate revenue recognition. We expect to begin revenue recognition for <u>Eluria</u> and <u>Una Apartments</u> within 2023 and 2024, respectively.
2. Can you give us an update on the land acquisition program of the Corporation specifically those that will be funded by the Tranche 2 ASEAN Green Bonds?	<u>Executive Vice President Christopher G. Narciso</u> : We are currently in active talks and negotiations with multiple landowners. As you know, the land acquisition requires very tedious and meticulous due diligence research studies and evaluations. So we will be disclosing updates on these opportunities in an appropriate time in the future.
3. What is the current revenue mix/portfolio of the company, percentage of developmental or real estate sales and lease or recurring revenue? Do you have a target revenue mix?	<u>Investor Relations Officer and Strategic Funding and Investments Head Sheryll P. Verano</u> : In 2022, the total revenue from leasing operations amounted to ₱380 million and that corresponded to about 10% of total revenues for that year. However, as presented by Vice Chairman and President González, there was a strategic decision made in 2022 to retain approximately 16,000 sqm of net leasable space for office and retail units in <u>Cebu Exchange</u> , and that should bring up our portfolio of these generating properties about 41,000 sqm of net leasable space. When all of that become leased out, we expect revenues from leasing operations to



	<p>increase about ₱520M to cover approximately the company's overhead costs.</p> <p>In response to the second question, we have a very long-term target of achieving 30% to come from leasing operations and that requires longer term capital and a lot of time to build the properties that will support it. In the short and medium term, we support this long-term objective by deciding to retain the units in our properties as described.</p>
<p>4. What is the Corporation's strategy given the market's relatively slow take-up of office space due to hybrid working arrangement and the expected new supply of office space coming from new completed projects in 2023?</p>	<p><u>Executive Vice President Christopher G. Narciso:</u> First, we have addressed this by looking at the residential asset class as our future development types in the mid-term. Second, we believe that even during tight situations, the market will always have a flight to quality in terms of office asset class, and this is exemplified just very recently by the move of Concentrix, a leading BPO in Cebu, consolidating all their operations in Cebu in <u>Cebu Exchange</u>. And lastly, we believe that in the long-term, the commercial office market will grow and the vacancies will decline; and this is reflected in our confidence by the office space that we retain in our projects.</p>

As there were no further questions, a motion was thereafter made to approve the Management Report and to confirm and ratify all the acts and achievements done and carried out by Management and the incumbent Board for the previous year for the good of the Corporation and its stockholders. At this point, the Chairman announced that stockholders of the Corporation which hold at least 50% of the total outstanding capital stock, namely, CPG, AOCH1, Elite, and MPI, will vote in favor of the approval of the Management Report rendered by Vice Chairman and President González.

Thereafter, as there were no further comments, on motion made, duly seconded and no objection raised, the Management Report was approved by all the stockholders present and all the acts of the Board of Directors and of Management were declared unanimously approved, confirmed and ratified, to wit:

<u>Vote</u>	<u>Number of Votes</u>	<u>Percentage of Shares Represented</u>
Yes	3,727,784,519	70.10%
No	0	0
Abstain	0	0

and the following resolution was passed:

Management Report for 2022

“RESOLVED, that the Management Report on all the acts and achievements done by Management and the incumbent Board since the annual stockholders’ meeting on 24 June 2022 up to the present be, as it is hereby, APPROVED, CONFIRMED and RATIFIED.”

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## V. Election of Directors

The Chairman announced that the next order of business is the election of the members of the Board of Directors for the term 2023-2024. He explained the procedure on the nomination and election of directors as outlined in the Corporation's By-laws and Manual of Corporate Governance, together with the Securities Regulation Code. The Board, through the Governance and Nomination Committee, determines if those so nominated are eligible and have complied with the qualification requirements imposed by the By-laws and the Securities Regulation Code, declares who are those candidates or nominees considered as eligible and qualified for election, and thereafter, certifies the list to the Board which confirms the same.

He further explained that the Governance and Nomination Committee of the Corporation, composed of Vice Chairman Ricardo Gabriel T. Po and Independent Directors Hans B. Sicat and Andres B. Sta. Maria, determined whether the nominees for directors, including those for independent directors, possess the qualifications and none of the disqualifications of regular and independent directors of the Corporation as provided under the Manual of Corporate Governance and the Securities Regulation Code.

The Secretary of the Meeting declared that there were nine (9) nominees cleared by the Governance and Nomination Committee and confirmed to be fit, qualified and eligible for election, as follows:

### A. Regular Directors

1. Mr. Ernest K. Cuyegkeng
2. Mr. Jaime C. González
3. Mr. Jaime Enrique Y. González
4. Mr. Cornelio S. Mapa, Jr.
5. Mr. Christopher T. Po, and
6. Mr. Ricardo Gabriel T. Po.

### B. Independent Directors

7. Ms. Denise Loreena V. de Castro
8. Mr. Hans B. Sicat, and
9. Mr. Andres B. Sta. Maria.

With the exception of Ms. De Castro, the other nominees are all incumbent directors of the Corporation and seeking re-election.

Considering that there are nine (9) seats of the Board to be filled up and there being only nine (9) nominees, the Chairman stated that the stockholders may, if they so desired, dispense with the strict formalities and procedures of a long and formal balloting and elections. The Chairman also declared that common stockholders of the Corporation which hold more than 50% of the total outstanding capital stock, namely, CPG, AOC1, Elite, and MPI, will cast all their votes in favor of the nine (9) nominees.

With no objections from the floor on the suggestion of the Chairman, on motion made, duly seconded and carried, all votes of the common stockholders present were cast in favor of the foregoing nine (9) nominees and they were declared elected as members of the Board of Directors for the year 2023-2024 to hold office as such and until their respective successors shall have been duly elected and qualified.



**VI. Appointment of External Auditor**

The Chairman proceeded to the final item in the agenda which is the appointment of the External Auditor for 2023. He explained that the Corporation’s By-laws provides, among others, that the External Auditor shall be appointed by its Board of Directors. The Board appointed Reyes Tacandong & Co. as the Corporation’s external auditor for 2022 with Ms. Michelle R. Mendoza-Cruz as Partner-in-Charge. The common stockholders were requested to ratify such appointment.

The Chairman declared that common stockholders of the Corporation which hold more than 50% of the total outstanding capital stock, namely, CPG, AOC1, Elite, and MPI, will cast all their votes in favor of ratifying the appointment of Reyes Tacandong & Co. as the Corporation’s external auditor for 2023.

There being no comments, on motion made, duly seconded and carried, the common stockholders present ratified the Board’s appointment of Reyes Tacandong & Co. as the Corporation’s external auditor for 2023, with Ms. Michelle Mendoza Cruz as Partner-in-Charge, to wit:

<u>Vote</u>	<u>Number of Votes</u>	<u>Percentage of Shares Represented</u>
Yes	3,727,784,519	70.10%
No	0	0
Abstain	0	0

and approved the following resolution:

External Auditor for 2023

“RESOLVED, that appointment of Reyes Tacandong & Co. as the Corporation’s external auditor for 2023 with Ms. Michelle R. Mendoza-Cruz as Partner-in-Charge be, as it is hereby, APPROVED, CONFIRMED and RATIFIED.”

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**VII. Adjournment**

There being no further matters to take up, on motion made and duly seconded, the meeting was adjourned at 10:22 A.M. The newly elected directors of the Corporation were requested to attend the Organizational Meeting of the Board to be held immediately after this meeting.

CERTIFIED CORRECT:



**RIVA KRISTINE V. MAALA**  
*Secretary of the Meeting*

Attested by:



**ERNEST K. CUYEGKENG**  
*Chairman of the Board/Meeting*