

**MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS
OF GLOBAL-ESTATE RESORTS, INC.**

held on 29 June 2017

Grand Ballroom, Eastwood Richmond Hotel, Orchard Road
Eastwood City, Bagumbayan, Quezon City

Present:	Atty. Monica T. Salomon	-	Director/President
	Ms. Lourdes T. Gutierrez-Alfonso	-	Director
	Mr. Wilbur L. Chan	-	Director
	Atty. Ferdinand T. Santos	-	Director
	Mr. Kevin Andrew L. Tan	-	Director
	Mr. Alain A. Sebastian	-	Director
	Mr. Gerardo C. Garcia	-	Independent Director
	Mr. Jesus B. Varela	-	Independent Director

I. CALL TO ORDER

The President, Monica T. Salomon was designated as the Chairman of the meeting and called the meeting to order at 09:05 A.M.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary, Dominic V. Isberto, informed the body that, based on the certification of the Corporation's stock transfer agent, notices of the Annual Meeting were sent to all stockholders of the Corporation as of 16 May 2017, the record date of the Annual Meeting. He likewise certified that there exists a quorum for the transaction of business for the Annual Meeting, there being present either in person or represented by proxy, stockholders representing 83.52% of the total subscribed and outstanding capital stock of the Corporation.

**III. APPROVAL OF THE MINUTES OF THE ANNUAL
MEETING OF STOCKHOLDERS HELD ON 30 JUNE
2016**

The Presiding Officer informed the stockholders that the first item in the Agenda is the reading and approval of the Minutes of the Annual Shareholders' Meeting held on 30 June 2016. She likewise mentioned that copies of the Minutes were distributed to the shareholders together with the Information Statement and Notice and Agenda of this Meeting.

Upon motion made and duly seconded, since copies of the Minutes of the Annual Stockholders' Meeting held last 30 June 2016 were already distributed to all stockholders, the reading of the Minutes was dispensed with and the same was approved.


IV. REPORT OF MANAGEMENT

The President delivered the Management Report for the year 2016.

Highlights of the report are as follows:

Global-Estate Resorts (GERI) is part of the Alliance Global Group under its real estate business. GERI is a subsidiary of Megaworld Corporation and it is engaged in tourism and leisure development.

GERI has five townships in Luzon and Visayas: Boracay Newcoast, GERI's first integrated tourism estate, consists of 150 hectares; Twin Lakes near Tagaytay is GERI's



largest township with an area of 1,200 hectares; Southwoods City in Cavite and Laguna has 561 hectares; Alabang West in Las Piñas has 62 hectares; and Sta. Barbara Heights in Iloilo consists of 173 hectares.

These five townships have fueled the growth of GERI in the last five (5) years bringing up its Consolidated Revenues from 1.4B in 2012 to 5.7B in 2016.

Real estate sales continue to be the major revenue driver. In 2016 alone, Real Estate Sales of Php 4.8 billion comprised 83% of Consolidated Revenues. The Company seeks to diversify its revenue base by gradually growing its investment property portfolio. In 2016, the Company focused on the completion of its hotel, retail, and office inventory to ensure that the Company would have a stable source of recurring income.

In April of this year, the Company opened Savoy Hotel in Boracay Newcoast. Savoy Hotel is GERI's first condominium hotel development in Boracay. It has 559 guest rooms. The hotel's amenities include Savoy Cafe, a lobby bar, a Lounge and a pool bar. Hotel guests have access to Boracay Newcoast's white sand beach. The opening of Savoy Hotel was followed by the grand launch of Boracay Newcoast, which kicked off with a black-lit pool party at Savoy's party pool and a grand Paraw display at the beach.

The launch was also marked by GERI's award-winning "Cause for a New Coast" beach clean-up drive. Participants in this year's campaign were treated to free transportation on electric trikes after shooting trash in basketball hoops.

By 2018, GERI will complete another condominium hotel -- the Belmont Hotel Boracay, which will add 442 guest rooms to Boracay hotel inventory. By 2022, GERI hopes to complete the first cluster of Chancellor Hotel Boracay, which will give GERI 192 hotel rooms. An additional 2 clusters will free up 362 hotel rooms. If we add GERI's 208 rooms in Fairways and Bluewater, GERI is looking at 1,763 hotel rooms by 2022 to cater to a two million and growing Boracay tourist market.

By 2018, GERI expects to complete Twin Lakes Hotel near Tagaytay, which is a traditional tourist destination. Twin Lakes Hotel will offer 126 rooms. On the retail side, Twin Lakes Shopping Village is fully operational with 4,200 square meters of leasable spaces. Southwoods Mall and Office Towers in Laguna will be completed this year and will provide 22,700 square meters of retail space and 49,000 square meters of office space.

In Alabang West, GERI's anchor tenant Landers Superstore has started construction. Once fully operational, Southwoods Mall and Office Towers together with Twin Lakes Shopping Village and Landers Alabang West will generate around 650 million in annual rental revenues.

Other rental properties in the pipeline include the retail strips in Savoy Hotel, Belmont Hotel and Chancellor Hotel in Boracay which will generate an additional 12,000 square meters of retail spaces upon their completion.

Looking back to 2011, GERI began with a little more than 5,000 square meters of leasable spaces. By the close of this year, GERI would have more than 86,000 square meters of leasable floor space, which is 16 times more than the leasable floor space in 2011.

2016 Highlights:

GERI launched a new product -- the integrated lifestyle community. An integrated lifestyle community is primarily residential, but what makes it unique is that it showcases the best that nature has to offer, making nature an extended amenity of the project.

GERI's first integrated lifestyle community is Eastland Heights with 640 hectares of rolling terrain on the highlands of Antipolo. Capitalizing on the scenic views and fresh air of Antipolo, Eastland Heights has a 36-hole golf course and country club. It has a sports clubhouse and will have a spa and water park.

GERI launched three projects – the Twin Lakes Manor, the first cluster of Chancellor Hotel Boracay, and our second residential subdivision in Twin Lakes – the Lucerne at Domaine Le Jardin. These new projects together with existing inventory gave GERI Php11B in reservation sales.

GERI's net income reached the P1B mark from 667M in 2015, an increase of 50%. Sales from Alabang West, Boracay Newcoast and Twin Lakes were the major contributors to Net Income.

GERI started to turn over condominium hotel units of SAVOY HOTEL to buyers thru hotel operator. GERI also started turn-over of NEWCOAST VILLAGE where the Company is selling residential lots and built some model houses. GERI continued to turn over commercial lots in the BOUTIQUE HOTEL DISTRICT and SHOPHOUSE DISTRICT and condominium units in Oceanway Residences. In Iloilo, GERI completed the third residential village in Sta. Barbara Heights where the Company also built several model houses. In Twin Lakes, GERI completed the first residential village, Domaine Le Jardin.

2017 Targets:

- To spend Php6.5 Billion for the development of projects and land acquisition.
- To maintain the target of 30% annual growth in Net Income.
- Launch 4 new projects - Ocean Garden Villas in Boracay Newcoast and another cluster in Chancellor Hotel Boracay. GERI launched Eastland Heights in Antipolo and target to launch another integrated lifestyle community in the South.
- To complete 5 projects - Southwoods Mall and Office Towers, the first two condominium clusters of Holland Park and Pahara residential village, all in Southwoods City. GERI will also complete one cluster of Vineyard Residences condominium in Twin Lakes and the Shophouse District in Sta. Barbara Heights.

GERI's Growth Strategy

- GERI will maintain its lead in integrated tourism and leisure estates in anticipation of a sustained growth momentum in tourism.
- To build more integrated lifestyle communities in tourism growth areas.
- The Company will expand its hotel, retail and office portfolio to grow its recurring income stream.

OPEN FORUM

Question 1: Is there any development in the commercial area of Southwoods on the side of Carmona aside from Jollibee?

Answer: All of the lots in Carmona Commercial Strip are already sold and recently, we have been receiving inquiries from lot buyers who wish to build commercial establishments. So, I believe people will start to build in that area soon.

- Question 2:** The Securities and Exchange Commission proposed to increase the public float of publicly-listed companies to at least fifteen (15%) on or before 2018, and to at least twenty (20%) on or before 2020. How does GERI Management plan to achieve this proposed directive of the SEC?
- Answer:** GERI has a public ownership of 17% so it is already compliant with the proposed 15% minimum public float. For the proposed minimum 20% public float by 2020, we will just have to wait and see since 2020 is a long way off.
- Question 3:** I would like to know the occupancy rate of our units. Also, is GERI affected by the scare in Marawi City?
- Answer:** Our condominium units are 90% sold. As for the Marawi incident, I believe it is just a temporary setback. The Government is in full control of the situation and expects fighting to be over in 2 weeks. The Department of Tourism has even said that the Marawi siege has not affected tourist arrivals to the Philippines.
- Question 4:** GERI has recently introduced the new concept of "integrated lifestyle communities" by launching Eastland Heights in Antipolo. How does this differ from your previous developments, which are classified as townships?
- Answer:** GERI has a lot of land located in really beautiful places, so we thought of the integrated lifestyle community concept. As opposed to a township, an integrated lifestyle community is primarily residential. But what makes it unique is that it highlights the best that nature has to offer, making nature an extended amenity of the project. Our first integrated lifestyle community, Eastland Heights, offers scenic views of Antipolo, fresh air, lots of greenery, beautiful landscapes and a golf course.
- Question 5:** I would like to ask if the Company plans to give dividends.
- Answer:** Right now, the cash of the Company is allocated for its projects.
- Follow-up Question:** When do you envision will the Company start giving dividends? In how many years?
- Answer:** Maybe in five years' time.
- Follow-up Question:** Do you think the present growth of the Company will be sustained in 5 years?
- Answer:** If you are referring to the percentage growth in net income, we have targeted 30% growth this year. Last year, net income actually grew by 50%, but we wish to be conservative and have maintained our growth target at 30%. As the base grows bigger, however, the percentage growth rate diminishes – in two years' time, we are looking at 20% growth rate.
- Follow-up Question:** So how will you be able to achieve your target of dividend payout in 5 years?
- Answer:** In terms of absolute values, our net income will grow bigger. In fact, bigger companies report only a 10 to 11% growth every year but the values are substantial. Plus, we are trying to grow our recurring income so that we can eventually pay out dividends.

Follow-up

Question: The Company is focused on tourism, which is a very good industry to go into. However, the problem with tourism is that it is very volatile. So, I think the Company should try to get as much market share as possible in the shortest possible time to be able to withstand these shocks caused by adverse incidents like the Marawi incident, among others.

Answer: We balance our integrated tourism estates with residential, retail and office projects in locations that are not heavily dependent on tourism. We have Southwoods Mall and Office Towers. We have Alabang West. These projects are not dependent on tourism.

Follow-up

Question: Regarding your concept of townships and real-estate development, I would like to remind you that one of the most important components in township development and residential development is the availability of retail shops or shopping malls, medical facilities or hospitals, and educational institutions, especially for our projects that are far away from the city, like Eastland in Antipolo. These are essential facilities that should be present in our developments.

Answer: Yes, we have plans for these in our projects.

Question 6: Related to the 20% float, does the Company have plans of delisting?

Answer: No.

Follow-up

Question: Do you have guidelines on recurring income for 2020? How much will it account for the total core income of the Company?

Answer: In 2020, we are looking at a recurring income of 650M.

I. APPROVAL OF THE 2016 AUDITED FINANCIAL STATEMENTS

The Presiding Officer informed the stockholders that copies of the Audited Financial Statements for the calendar year ending 31 December 2016, together with the Annual Report of Management and the Interim Financial Statements for the period ending 31 March 2017, were transmitted to stockholders together with the Definitive Information Statement and Notice and Agenda of the Meeting.

Upon motion made and duly seconded, the stockholders approved the Corporation's Audited Financial Statements for the calendar year ending 31 December 2016.

VI. RATIFICATION OF ALL ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND CORPORATE OFFICERS

The Presiding Officer proposed the ratification of all acts of the Corporation's Board of Directors, Board Committees and corporate officers and all resolutions adopted by them since the 30 June 2016 Annual Stockholders' Meeting up to the present.

Upon motion made and duly seconded, the stockholders approved a resolution ratifying all acts of the Corporation's Board of Directors, Board Committees and corporate officers and all resolutions adopted by them since the 30 June 2016 Annual Stockholders' Meeting up to the present.

VII. AMENDMENT TO THE ARTICLES OF INCORPORATION

The Presiding Officer informed the stockholders that the Board of Directors resolved to amend Article III of the Corporation's Amended Articles of Incorporation (AOI) to indicate its new principal office address as the 16th Floor, Alliance Global Tower, 36th Street corner 11th Avenue, Uptown Bonifacio, Taguig City, 1634, Metro Manila, Philippines.

As amended, the Third Article of the Corporation's Amended AOI will read as follows:

"THIRD: That the place where the principal office of the Corporation is to be established or located is at 16th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City, 1634, Metro Manila, Philippines. The Corporation may establish and maintain branch offices elsewhere in the Philippines as the Board of Directors may determine from time to time."

The Presiding Officer proposed to ratify the said amendment. Upon motion made and duly seconded, the stockholders representing at least 2/3 of the outstanding capital of the Corporation ratified the proposed amendment to Article III of the Amended Articles of Incorporation. The stockholders also ratified the authorization and directive given to any one of the officers of the Corporation 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 proposed amendment.

VIII. ELECTION OF DIRECTORS

The Presiding Officer informed the stockholders that the Corporation will be electing nine (9) directors. She added that, pursuant to the Securities Regulation Code, SRC, Rule 38, and the Corporation's Revised Manual of Corporate Governance, the Corporation is mandated to elect at least two (2) Independent Directors out of the nine directors.

Ms. Karen B. Maderazo, Head of Human Resources Division, informed the stockholders that the Nomination Committee has approved the list of nominees for election to the Board of Directors and that notice thereof was filed with the Securities and Exchange Commission and the Philippine Stock Exchange and also sent to the stockholders as of the record date for this meeting. She also reported that each of those in the List of Candidates possesses all the required qualifications and none of the disqualifications to hold office as directors of the Corporation.

Ms. Maderazo then reported that based on the List of Candidates, the final list of candidates of nominees for directors of the Corporation are as follows: **Dr. Andrew L. Tan, Atty. Monica T. Salomon, Ms. Lourdes T. Gutierrez-Alfonso, Atty. Ferdinand T. Santos, Mr. Wilbur L. Chan, Mr. Kevin Andrew L. Tan, and Mr. Alain A. Sebastian** as regular directors; and **Mr. Gerardo C. Garcia and Mr. Jesus B. Varela**, as independent directors.

Thereafter, it was moved and seconded that, considering that there are only nine (9) nominees and only nine (9) seats in the Board, those nominated as regular directors and as independent directors, respectively, be considered as having been elected. In the absence of objection, the Presiding Officer declared the nominees elected to the Board of Directors by unanimous vote of all shareholders now present in person or represented by proxy.

IX. APPOINTMENT OF EXTERNAL AUDITOR

The Presiding Officer informed the stockholders that the Board of Directors, upon consultation with the Audit Committee, has recommended the appointment of Punongbayan

and Araullo as external auditor of the Corporation's financial statements for the year ending 31 December 2017.

Upon motion made and duly seconded, the stockholders approved the appointment of Punongbayan & Araullo as external auditor of the Corporation for the audit of its financial statements for the year ending 31 December 2017.

X. **ADJOURNMENT**

The meeting was adjourned at about 9:41 A.M.

Prepared by:


DOMINIC V. ISBERTO
Corporate Secretary

Noted by:


ANDREW L. TAN
Chairman


MONICA T. SALOMON
President