

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

28 August 2020

Conducted virtually via <https://geri.com.ph/asm2020/>

**I. CALL TO ORDER**

The President, Atty. Monica T. Salomon, who was designated as the Presiding Officer of the meeting, welcomed the stockholders to the annual meeting of stockholders. Thereafter, the Presiding Officer called the meeting to order at 9:08 a.m. The Corporate Secretary, Atty. Maria Carla T. Uykim, recorded the proceedings of the meeting.

**II. CERTIFICATION OF NOTICE AND QUORUM**

The Presiding Officer stated that the Corporation decided to hold this year's Annual Stockholders' Meeting (the "**Meeting**") by live streaming in support of the government's call for social distancing and prohibition on mass gatherings. She also said that the Corporation has adopted measures to enable stockholders the opportunity to participate in the Meeting as effectively as in an in-person meeting.

The Corporate Secretary certified that all stockholders of record as of 21 July 2020 have been duly notified of the Meeting pursuant to the Corporation's By-Laws and applicable Securities and Exchange Commission ("SEC") Circulars. She said that copies of the Notice of the Meeting, the Agenda, and the Definitive Information Statement were made available through the Corporation's website and the Philippine Stock Exchange Electronic Disclosure Generation Technology or PSE EDGE. She also said that Notice of the Annual Meeting was also published in The Manila Bulletin and The Philippine Star on August 5 and 6, 2020.

The Corporate Secretary certified that there exists a quorum to transact the business in the agenda for the Meeting, there being present in person or represented by proxy stockholders holding 82.48% of the entire subscribed and outstanding capital stock of the Corporation.

The Corporate Secretary proceeded to explain the rules for participation and voting in the Meeting. She said that the Procedures for Registration, Voting and Participation in the Meeting are contained in the Definitive Information Statement and have been implemented as follows:

(i) stockholders signifying their intention to participate by remote communication have registered by submitting the requirements by email to the Corporate Secretary; (ii) stockholders who have registered were able to send their

questions and/or comments prior to the Meeting through email at [corpsecretary@global-estate.ph](mailto:corpsecretary@global-estate.ph) until 5:00 p.m. of August 25, 2020; (iii) the resolutions proposed to be adopted at the Meeting will be shown on the screen; (iv) stockholders who have duly registered to participate by remote communication have cast their votes by proxy or in absentia by sending their accomplished ballots by email to the Corporate Secretary until 5:00 p.m. of August 21, 2020; and (v) the Office of the Corporate Secretary has tabulated all valid and confirmed votes cast through electronic voting, together with the votes through proxies, and the voting results will be announced during the Meeting and reflected in the minutes of the Meeting.

### **III. APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL STOCKHOLDERS' MEETING**

The Presiding Officer informed the stockholders that a copy of the minutes of the 2019 Annual Stockholders' Meeting has been made available through the Corporation's website.

The Corporate Secretary announced that 100% of the voting shares represented in the Meeting have voted in favor of the approval of the minutes of the Annual Stockholders' Meeting held on June 27, 2019. Therefore, the Presiding Officer declared that the following resolution has been approved:

***“RESOLVED, that the Corporation hereby approve the minutes of the Annual Stockholders' Meeting held on 27 June 2019.”***

### **IV. ANNUAL REPORT OF MANAGEMENT**

The Presiding Officer then proceeded to deliver the Management Report for 2019 as follows:

*“We are in the midst of the most severe humanitarian and financial crisis of our generation – the extent and effects of which we are still trying to understand. In the face of a global economic downturn – we are one with the Filipino business community in our resolve to stay the course during this economic storm.*

*After all, our Company isn't just a business enterprise. It is also a corporate citizen of this country, and in the midst of the anxiety that grips our nation, it is our patriotic duty to carry on with our business so that we may contribute our share to national economic recovery.*

*The Company develops integrated tourism and leisure estates and integrated lifestyle communities, most of which are located in key growth*

*areas outside Metro Manila -- in Boracay, Iloilo, Cavite, Laguna, Batangas and Rizal.*

*Our integrated estates drive economic growth in the countryside by creating opportunities for local businesses and generating employment for the local workforce.*

*If we set aside the upheaval caused by Covid-19 and focus on the performance of the Company last year, we can say that 2019 was a very good year for the Company.*

- *Consolidated Revenues rose to P8.5B from P7.5B in 2018, a 12% growth.*
- *Real Estate Sales representing sales from previous years reached P6.1B, with Boracay Newcoast, Twin Lakes and Southwoods City contributing the biggest share.*
- *Rental Income jumped by 75% to P747M, primarily from Southwoods Mall and Office Towers.*
- *Hotel Operating Income from our hotels in Boracay and Twin Lakes increased by 263% to P814M, from only P224M in 2018.*
- *Net Income grew by 11% year-on-year reaching P1.9B.*
- *Last year, we completed 857 condominium units in Boracay, Southwoods City and Twin Lakes.*
- *We launched 7 condominium projects and a residential village in our integrated estates, with a total sales value of P9.9B.*
- *We opened Belmont Hotel in Boracay and Alabang West Parade retail in Las Pinas.*
- *In total, the Company has eight (8) integrated tourism and leisure estates and integrated lifestyle communities across the country.*
- *In a span of 8 years, we have built 1,188 residential condominium units, 3,181 residential lots, 230 commercial lots, 1,743 hotel rooms and 174,445 square meters of leasable spaces.*

*But then, today, we are in a pandemic and the lockdown imposed during the first and second quarters of this year slowed down the operations of our Company.*

- *The community quarantine from March to June of this year temporarily restricted marketing activities, closed our malls and hotels, and halted construction activities in our project sites.*
- *The financial impact of the lockdown is reflected in the Company's first half results for 2020.*

- *Consolidated Revenues declined by 29% from P4.1B last year to P2.9B this year.*
- *Real Estate Sales declined by 23% amounting to P2.2B as of June this year compared to P2.8B for the same period last year.*
- *Due to the closure of hotels during the lockdown, hotel operating income declined by 67%, from P484M last year to P162M as of June 2020.*
- *Despite mall closures, rental income declined only by 8% from P377M last year to P347M as of June this year, with office rental cushioning the impact of the decline in mall rental.*
- *Excluding non-recurring gains in 2019, Net Income declined only by 9% to P728M from P801M for the same period last year.*

*While the Company adopts a prudent outlook during these uncertain times, the Company will continue to seek opportunities in a rapidly evolving market and business landscape.*

*With cautious optimism, we observed that as soon as quarantine restrictions in Metro Manila were relaxed in June 2020, Reservation Sales went back to pre-lockdown levels, growing to P3.6B from P2.2B in the first quarter. Surprisingly, while tourism in the country grounded to a halt, Boracay Newcoast continued to be the bestseller among our integrated estates, proof of an underlying demand for resort properties.*

*We also saw a significant rise in residential lot sales in our projects with access to natural environments such as Eastland Heights in Antipolo, Arden Botanical Estate in Cavite and Hamptons Caliraya in Laguna.*

*The Covid-19 crisis is fundamentally changing consumer values, attitudes and behavior.*

*The Company is carefully studying emerging trends in the lifestyle choices and behavior of consumers and is preparing for innovations in its product design, services and business processes to adapt to these changes.*

*We note the significant rise in digital commerce, online learning, and telecommuting and the acceptance of digital technology as a primary mode of connecting with family and friends.*

*We observe that priorities have shifted overnight in favor of essential goods and services and the fulfillment of basic human needs, resulting in an increasing focus on personal health and well-being, the family and the home.*

*We sense a growing interest in social benefit and community engagement, giving rise to mindful consumption and enlightened consumerism.*

*The Company believes that its integrated leisure estates and lifestyle communities, which make possible contained living set in the backdrop of natural environments, are sustainable and resilient models and will stand to benefit from the ongoing fundamental changes in people's behavior and way of life.*

*To adapt our projects to a digitally transformed global society, we will invest in strengthening the digital capabilities of our integrated estates and communities to enable residents to live-work-play-learn in natural and resort settings and at the same time stay connected to any part of the world thru technology.*

*To address the basic human need for social connectivity as an important ingredient of well-being, we will provide opportunities in our projects for environmental stewardship, social cohesion and community engagement to allow our customers to live healthy, balanced, productive and fulfilling lives.*

*The Company is investing in digital innovations and platforms that will support responsive customer care. It is integrating digital technology in all business processes in order to achieve high levels of efficiency and productivity and assure business continuity.*

*During this pandemic, we have prioritized the health, safety and well-being of our workforce by strengthening health insurance coverage, providing health and safety kits, implementing health and safety protocols in the workplace, and institutionalizing flexible work arrangements such as work from home, work rotation and work offsite.*

*The Company will continue to observe financial discipline to ensure financial stability through prudent cash management and operational efficiency.*

*While development works in all our projects have continued, we expect a 38% reduction in capital expenditures this year from P6.5B to P4B as the lockdowns, regional quarantine measures, and physical distancing rules continue to restrict the movement of materials and workers in our construction sites.*

*While we have deferred new township launches, we will push thru with the launching of projects within our integrated estates. We have also allocated funds for strategic property acquisitions to allow us to take advantage of opportunities for business expansion and growth.*

*To all our shareholders, we thank you for your trust, and we assure you of prudent stewardship throughout this crisis as we steer our way towards better times.”*

**V. AMENDMENT OF BY-LAWS TO AUTHORIZE THE CONDUCT OF BOARD MEETINGS AND STOCKHOLDERS’ MEETING BY REMOTE CONFERENCE AND OTHER MODES OF COMMUNICATION (SECTIONS 4 & 5, ARTICLE III, AND SECTIONS 2 & 3, ARTICLE V)**

The Presiding Officer informed the stockholders that the Board approved amendments to Sections 4 & 5, Article III and Sections 2 & 3, Article V of the Company’s By-Laws to allow the stockholders to participate and vote in the annual or special stockholders’ meeting through remote communication or alternative modes of communication, and to also allow members of the Board of Directors to participate and vote in the board meetings through remote communication, and that the proposed amendments are being submitted for approval by the stockholders.

The Corporate Secretary presented the following resolution:

***“RESOLVED, that the Corporation hereby approve the amendment of Sections 4 and 5, Article III and Sections 2 and 3, Article V of the Amended By-laws to allow the Board of Directors to participate and vote in the board meetings through remote communication or alternative modes of communication, and also allow the stockholders to participate and vote in annual or special meetings through remote communication or alternative modes of communication.”***

and certified that 100% of the voting shares represented in the Meeting have voted in favor of the adoption of the aforementioned resolution amending Sections 4 & 5, Article III and Sections 2 & 3, Article V of the Company’s By-Laws to allow the stockholders to participate and vote in the Annual Meeting through remote communication or alternative modes of communication, and to also allow members of the Board of Directors to participate and vote in the board meetings through remote communication. Thereafter, the Presiding Officer declared that the above resolution has been approved.

## **VI. APPOINTMENT OF EXTERNAL AUDITOR**

The Presiding Officer informed the stockholders that the Board of Directors, upon recommendation of the Audit Committee, has resolved to reappoint Punongbayan & Araullo as external auditor of the Corporation for the audit of the Corporation's financial statements for the year ending December 31, 2020, and that this is being submitted for approval by the stockholders.

The Corporate Secretary certified that 100% of the voting shares represented in the Annual Meeting have voted in favor of the resolution approving the engagement of Punongbayan & Araullo as external auditors for the fiscal year ending December 31, 2020, as follows.

***“RESOLVED, that the Corporation hereby approve the appointment of Punongbayan & Araullo as the external auditor for the audit of the Corporation’s financial statements for the year ending 31 December 2020.”***

## **VII. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND CORPORATE OFFICERS ADOPTED DURING THE PRECEDING YEAR**

The Presiding Officer requested the Corporate Secretary to explain and present the proposed resolution on the ratification of all acts and resolutions of the Board of Directors, Board Committees and Officers of the Corporation since the date of last year's annual stockholders' meeting held on 27 June 2019 until 27 August 2020.

The Corporate Secretary presented a list of such acts and resolutions of the Board of Directors, Board Committees and Officers of the Corporation and informed the stockholders that the same list was provided in the Definitive Information Statement made available through the Corporation's website. She certified that 100% of the voting shares represented in the Meeting have voted in favor of the following resolution:

***“RESOLVED, that the Corporation hereby ratify all acts of the Board of Directors, Board Committees and corporate officers and all resolutions adopted by them from 27 June 2019 up to 27 August 2020.”***

Therefore, the Presiding Officer declared that the above resolution has been approved.

## VIII. ELECTION OF DIRECTORS

The Presiding Officer informed the stockholders that the Corporation shall be electing nine (9) directors, at least two of whom shall be independent directors pursuant to the Securities and Regulation Code and the Corporation's Manual of Corporate Governance. She requested the Corporate Secretary, on behalf of the Corporate Governance Committee, to present the Final List of Nominees for members of the Board of Directors.

Atty. Uykim, on behalf of the Corporate Governance Committee, presented the Final List of Nominees to the Board of Directors, as follows: Andrew L. Tan, Monica T. Salomon, Lourdes T. Gutierrez-Alfonso, Kevin Andrew L. Tan, Wilbur L. Chan, Ferdinand T. Santos, and Giancarlo C. Ng for regular directors, and Jesus B. Varela and Cresencio P. Aquino for independent directors. The Corporate Secretary likewise reported that the Final List of Nominees for election as directors of the Corporation possess all the qualifications and none of the disqualifications to hold office as directors of the Corporation.

The Corporate Secretary then informed the Presiding Officer that no further nominations shall be allowed pursuant to the Corporation's By-Laws, as amended.

The Corporate Secretary certified that each of the nominees has obtained the required number of votes to be elected as members of the Board. Therefore, the Presiding Officer declared that the following resolution electing the members of the Board has been approved:

***“RESOLVED, that the Corporation hereby approve the election of the following nominees as members of the Board of Directors for the year 2020:***

- 1. Andrew L. Tan***
- 2. Monica T. Salomon***
- 3. Lourdes T. Gutierrez-Alfonso***
- 4. Kevin Andrew L. Tan***
- 5. Ferdinand T. Santos***
- 6. Wilbur L. Chan***
- 7. Giancarlo C. Ng***
- 8. Jesus B. Varela***
- 9. Cresencio P. Aquino***

**IX. ADJOURNMENT**

The Presiding Officer inquired if there are other matters in the agenda. The Corporate Secretary replied that there was none. There being no other matters to be discussed, the Meeting was adjourned at 9:29 A.M.

PREPARED BY:

**MARIA CARLA T. UYKIM**  
*Corporate Secretary*

NOTED BY:

**ANDREW L. TAN**  
*Chairman*

**MONICA T. SALOMON**  
*President*