

**EMPIRE EAST LAND HOLDINGS, INC.**  
**MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS**

09 June 2009  
McKinley Information Center Showroom  
Upper McKinley Road, McKinley Hill, Fort Bonifacio  
Taguig City, Metro Manila, Philippines

Board Attendance

Present:

Andrew L. Tan	-	Chairman of the Board Chairman, Executive Committee
Gerardo C. Garcia	-	Independent Director Vice Chairman of the Board Chairman, Nomination Committee, Compensation and Remuneration Committee, Audit Committee
Anthony Charlemagne C. Yu	-	Director Member, Executive Committee, Compensation and Remuneration Committee
Evelyn G. Cacho	-	Director Member, Executive Committee, Compensation and Remuneration Committee
Enrique Santos L. Sy	-	Director Member, Executive Committee, Nomination Committee, Audit Committee
Alejo L. Villanueva, Jr.	-	Independent Director Member, Audit Committee

**I. CALL TO ORDER**

Mr. Gerardo C. Garcia, Vice Chairman of the Board, called the meeting to order at 9:05 a.m. and presided over the meeting. The Corporate Secretary, Mr. Enrique Santos L. Sy, recorded the proceedings of the meeting.

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

The Corporate Secretary certified that all stockholders on record as of 13 April 2009 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**

Since 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:

*In the past year, Empire East Land Holdings, Inc. demonstrated more clearly than ever the strength of its portfolio and the effectiveness of its corporate strategy. Amid a deepening global financial crisis, your Company sustained its real estate business largely through its pioneering spirit, superior products and a genuine desire to surprise, engage and satisfy its mid-income clientele.*

*During these turbulent times, when homebuyers put their trust only in the most established brands, Empire East banked on its reputation as a leading community developer. In 2008, your Company registered a net income of P215.5 million. Its three new transit-oriented developments or*

TODs – Pioneer Woodlands, Little Baguio Terraces and San Lorenzo Place – accounted for reservation sales of P4.3 billion for some 2,819 residential units.

### **Breaking new ground**

While the global recession has reduced the number of active real estate players and limited entrants in the industry, it has given Empire East the opportunity to assert its leadership through strategic and well-timed innovation.

Your Company's forward-looking approach to real estate development once again manifested itself in the consecutive launch of its three TODs from July 2007 to March 2008. With their privileged access to mass transit systems, these projects tap into a growing demand among middle-income end-users for well-planned, strategically located residential communities that offer the most in commuting convenience.

The creation of TODs is not simply a move by Empire East to "recession-proof" its portfolio. Modeled after successful communities of the same kind in Hong Kong, Taipei and Tokyo, your Company's TODs build long-term value by contributing to the global greening campaign. Like their regional counterparts, Empire East's projects are set to make a positive impact on issues that range from fuel consumption and global warming to air quality and noise pollution.

Through its TODs, Empire East is also committing itself to social and fiscal sustainability. The increased use of public transport translates into reduced traffic congestion and transport costs, improved road safety, better health and greater productivity. All these contribute to neighborhood revitalization, economic development and, ultimately, nation building.

### **Building market share**

Empire East continues to implement its growth strategy by focusing exclusively on the middle-income segment of the market, which has proven resilient to changes in the economic environment.

Product differentiation and a healthy inventory have allowed your Company to address specific consumer requirements across the board. In doing so, it has strengthened its leading edge in the industry. In Sta. Rosa, Laguna, buyers have taken to the complete suburban lifestyle offered at the Laguna BelAir township. Virtually sold out, Laguna BelAir 1 and 2 are now home to more than 2,000 families. Laguna BelAir 3 and 4 are also significantly taken up.

Meanwhile, in the metro, Empire East's massive condominium communities have also received wide acceptance. Nearly 70 percent of all residential units at the 28 cluster Cambridge Village in Pasig-Cainta area have been sold. The 25-tower California Garden Square in Mandaluyong City, for its part, is 93 percent sold and 62 percent occupied.

The new TODs are also in a position to enhance Empire East's market share. The nine-tower Pioneer Woodlands in Mandaluyong boasts 3,200 units tailored to MRT-3 riding homebuyers. The six-cluster Little Baguio Terraces in San Juan City offers 1,800 units for buyers that take the LRT-2. The four-tower San Lorenzo Place in Makati City hosts more than 2,000 units for train-commuting professionals based in the business district.

### **Investing in future strength**

Notwithstanding the economic downturn, Empire East has set its sights on a program filled with activity in 2009. While meeting construction deadlines on or ahead of schedule remains a priority, putting new real estate projects on stream defines its competitive edge over its peers.

Your Company intends to carry out its aim to replicate – also in Sta. Rosa, Laguna – the success of its Laguna BelAir project. Anticipating a strong demand, it will launch this year The Sonoma, a 50-hectare community with 1,148 prime lots in three residential phases. In this project, homeowners will be given the freedom to build two-story houses with a classic Mediterranean architecture and enjoy all the benefits of living in a prestigious location in the South.



## **Moving forward**

*Empire East's marketing efforts, as always, are anchored in a solid balance sheet, stable business operations, financial prudence and competent risk management. Maintaining a cohesive and inspired team that adheres to the values of professionalism and integrity has also helped your Company to constantly adapt to and evolve around changing market realities.*

*Your Company is looking ahead with a sense of optimism. With its proven track record, it is confident that when the economic tide reverses, it will emerge stronger and more successful than ever.*

*Our valued customers, business partners and shareholders rest assured that Empire East will continue to deliver on its value proposition by remaining true to its tradition of exceptional customer service and unwavering commitment to quality.*

## **V. OPEN FORUM**

Question 1: We read many good things in the papers about Empire East. Are you not scared with so many projects in such a bad time?

Mr. Yu: Empire East has several ongoing projects at present. The three most recent developments we have are Pioneer Woodlands, Little Baguio Terraces and San Lorenzo Place. These projects were carefully selected and planned in order to meet the requirements of the market. We are very fortunate that the acceptance of the market have been very positive.

To answer your question of whether or not are we scared to launch and have the ongoing projects in this time, I believe that it is more important for us to contextualize the Company amidst the external environment in order for us to put a clearer perspective of what is actually happening and why we are doing what we are doing. First, Empire East is the pioneer in and the leading developer in the mid-income market and it has been our core business even before major developers decided to venture on this market. Moreover, the reason is very simple; this is the segment of the market that is the most stable and most resilient. As the middle-income market is concerned, it is always good in good times or bad. This probably explains why the sales for this year, for instance, this 2009, have not slackened at all despite all the dire predictions given by many doomsayers. We believe that ultimately the business is dictated by our need for housing, or housing units and the ability of the developer to develop and to deliver on its commitment. Because of that, we face the year with a lot of optimism.

Question 2: When a buyer pays in full, how long should they wait to get their title? I hear there is a problem with the BIR that extends it to like six months, but do we have an internal policy to make sure that buyers of units quickly get their title upon payment?

Mr. Yu: Internally, we try to process all the documents as soon as possible. There are, in certain cases, some problems that we encounter with the city government or with the national government. And so far as the processing is concerned, in your particular case, allow us to look into it immediately so that we could process your CCTs and see what we can do to expedite the release of such CCTs. Normally, it would take around 3 to 6 months including the external constrains that we have. But, on a case-to-case basis, we can expedite it particularly when a person needs the title for bank financing or other purposes.

Question 3: We keep hearing about this transit-oriented development, what is that?

Mr. Yu: The transit-oriented developments or what we call TOD, is a term used to refer to developments such as condominium projects that are linked directly to the mass transit system such as the MRT and LRT. Transit-oriented developments have attracted much attention worldwide because of the benefits that are derived from having such developments particularly in countries like United States, Hong Kong, Taiwan, Singapore and Tokyo. It has become the in-thing in other countries, because it is considered as an antidote to meddling problems such as traffic congestion, urban decay, and housing shortage. If you look at the example in other parts of the world, TODs can actually spur the redevelopment of the existing areas, which is actually happening already in downtown Long Island and Longbeach in



California. TODs have been also popular because it can spawn new suburban villages and we have seen this happen in Pleasant Hill, California. There are many other benefits here and even in our Asian neighbors, we see that transit-oriented developments have increased land value. One particular example is the Pacific Place in Hong Kong, which not only increased the property value of the area but has also gentrified the surrounding areas. There are many benefits surrounding transit-oriented developments, and that is the reason why Empire East decided to go that way. Some of the primary benefits for the public sector include the increase ridership in the transit system. It also provides opportunities for joint ventures between government and the private sectors. It revitalizes the neighborhood around that area in foreseeing economic development. Moreover, as the private sector is concerned, some of the obvious primary benefits would be the increase of the value of the properties and increase in rental rate, as well as affording housing opportunities for more people, because there is a congregation of increased population on those areas. There are also secondary and collateral benefits such as reduction of traffic congestion, increase revenues for the government brought by property taxes, reduces the sprawl and conserve open spaces which is really important to a busy area like Metro Manila, and crime rate has been significantly reduced in areas with TODs, as people from the mass transit system are linked directly to the condominium projects, therefore, there is no chance for them to embark and disembark and be subjected to any criminal activity. From the private sector's perspective, some of the collateral benefits will include the increase in retail sales due to congregation of people, as well as lesser parking slots being used. Most developers are now talking about green development, green environment, etc. In our opinion, no developer or no development can claim that it is green unless it is transit-oriented. This is part of the way of the future and Empire East, being the pioneer in the middle-income sector, the Company is happy to pioneer the transit-oriented development concept in the Philippines while the market's acceptance have been very good.

Question 4: With our Overseas Filipino Workers (OFWs) losing their jobs due to global economic crisis, don't you think that Empire East should be worried like most developers?

Mr. Yu: This question have been asked to us many times already and on the outset, we need to underscore one fact, that is: Sales to OFWs for Empire East constitute a very small percentage, roughly 2 to 3% only of our total sales in terms of direct OFW sales. We have barely scratched the surface of that market primarily because we are on the middle-income sector. Many of those who claim that they sell in the United States are actually selling properties to migrants and not to our OFWs. Many of which are the luxury market and those who sell in Europe are selling to the more or less, unskilled labors, therefore it is more of socialized housing. For that reason, we have barely scratched on that market and we believe that any great, adverse changes in the OFW's condition will not have any significant effect on the Philippines. If you will look on the data of the government as well as of the non-government organizations, while there are displacements on the labor of OFW sector, these displacements are really small compared to the total nine million population of the OFWs deployed outside the country. Furthermore, as you would examine the data, contrary to the fact that there are more displaced OFWs, there has been a rise in the total deployed OFWs for the year 2009. In addition to that, there is a welcome shift, before, they had a yearly contract, now their contracts are becoming longer and hiring OFWs includes both the specialized and professional sectors, which mean more income earned for the Philippines. We see now, there are two reasons why we should not be worried, first, they constitute a very small fraction of the total sales, and secondly, according to the data, there is really no definite slackening in the deployment of the OFWs. In fact, the deployment has increased and the quality has been better. And for these two reasons, we are not worried of any movement on the OFW market.

Question 5: In view of the success of the Laguna BelAir project, you are launching the Sonoma this year. Now, will Empire East also venture into tourism and leisure outside of Metro Manila?

Mr. Yu: Empire East has been invited to look on properties outside Metro Manila for possible tourism and leisure projects. However, we believe that Empire East ought to focused on its core competency and that is the middle-income housing. We believe that there remain many opportunities in this particular sector and that is why more and more property developers are



now claiming that they will go into middle-income housing. Moreover, since we are the leader in this sector right now, we believe that we have to focus more on it in order to sustain our lead. For now, tourism and leisure projects are not yet part of plan.

Question 6: I am amazed and surprised by your optimism despite this economic collapse, may I know the reason behind such optimism amidst these economic challenges?

Mr. Yu: First, our optimism is a guarded optimism. We are optimistic primarily because all of our projects, including those we have already launched and ongoing projects, are all doing very well. Secondly, while the Philippines is not immune to global economic slowdown, we believe that it is widely expected by most economists that the Philippine economy will continue to grow in the year 2009. These economists cited certain fundamental forces. One of which is the strong domestic demand that continues to drive the growth in our country. A key factor is always the strength of the domestic demand and personal consumption is one, which accounts for about 2/3 of our economy which has continued to grow all these years. Other factor is linked to the trade openness vulnerability, wherein the Philippines has a relatively modest reaction to such vulnerability. It simply means that our country has never been propelled by exports as other Asian countries. In line with this, the lack of absorption capacity of other countries towards our exports does not affect us, as significantly as it does to other Asian neighbors, therefore the impact is not that much. Another thing that keeps our optimism is the Business Process Outsourcing (BPO) sector. When we look into that, it seems that the BPO sector is continuously growing over the years and is projected to grow for 10 to 20% more for this year. The underlying fundamentals of this sector have not changed. The continuous growth of this industry is based on the consistent high cost differential of business process outsourcing between the developed and developing countries despite the global economic recession. And as long as this high cost differential remains, we will remain very competitive in the BPO sector. For these reasons, economic reasons, as well as the good performance of many of our projects, we remain optimistic and we believe that there are more opportunities in any crisis including this one.

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

The Presiding Officer informed the stockholders that the Audit Committee of the Board of Directors has recommended to the Board the engagement of Punongbayan & Araullo as external auditors of the Company for the audit of the Company's financial statements for the year ending 31 December 2009, 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 Company's financial statements for the year ending 31 December 2009, be approved."**

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

The Presiding Officer proposed the ratification of all acts of the Board of Directors, Executive Committee and Management during the period covering 1 January 2008 through 31 December 2008. These acts include resolutions duly adopted by the Board of Directors and/or its Executive Committee, such as appointment of contract signatories, appointment of representatives to homeowners' associations, application for permits and licenses for projects, registration of master deed and restrictions of projects, operation of bank accounts and other bank transactions, consolidation and subdivision of lots and titling of projects, development and operation of projects, property acquisitions, dispositions, leases and joint ventures.

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

**"RESOLVED, that all acts of the Company's Board of Directors, Executive Committee and Management and all resolutions adopted by them during the period covering 1 January 2008 through 31 December 2008, be ratified."**

## VIII. ELECTION OF DIRECTORS

The Presiding Officer informed the stockholders that the Company would be electing seven (7) directors. He added that pursuant to the Securities Regulation Code and SRC Rule 38, the Company is mandated to elect at least one independent director out of the seven directors and that the Company being listed on the First Board of the Philippine Stock Exchange is required to have at least two (2) independent directors in its Audit Committee.

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, Katherine L. Tan, Anthony Charlemagne C. Yu, Evelyn G. Cacho, and Enrique Santos L. Sy 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, Katherine L. Tan, Anthony Charlemagne C. Yu, Evelyn G. Cacho and Enrique Santos L. Sy be elected as regular directors of the Company.

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

## IX. ADJOURNMENT

The meeting was adjourned at 9:36 a.m.

CERTIFIED CORRECT:

  
ENRIQUE SANTOS L. SY  
Corporate Secretary

ATTESTED BY:

  
ANTHONY CHARLEMAGNE C. YU  
Presiding Officer