

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF**

**KEPWEALTH PROPERTY PHILS., INC.**

Held via Remote Communication  
on 10 July 2024, at 8:00 a.m.

**I. ATTENDANCE**

**STOCKHOLDERS PRESENT/REPRESENTED:**

No. of Shares Present and Represented	158,195,560
Total No. of Shares Issued & Outstanding	201,057,609

**DIRECTORS PRESENT:**

AUGUSTO PABLO A. CORPUS, JR.  
RESTITUTO T. LOPEZ  
EDMUNDO G. LAS  
JOHN F. CATINDIG  
MARK ANTHONY C. MIGALLOS

**DIRECTOR ABSENT:**

ROBERT IVAN F. OLANDAY  
IGNACIO SALVADOR R. GIMENEZ, III.

**ALSO PRESENT:**

ERIC T. DYKIMCHING – Assistant Corporate Secretary

**II. PRESIDING OFFICER AND SECRETARY**

The President, **MR. AUGUSTO PABLO A. CORPUS, JR.**, acted as Chairman and presided over the meeting, while the Assistant Corporate Secretary, **MR. ERIC T. DYKIMCHING**, recorded the minutes thereof.

**III. QUORUM AND CALL TO ORDER**

At the request of the Chairman, the Assistant Corporate Secretary certified that: (a) the stockholders of record of the Corporation as of 10 June 2024 have been notified of the Annual Stockholders' Meeting; (b) the stockholders owning 78.68% of the outstanding capital stock of the Corporation were present or represented at the meeting; and (c) there was full compliance with the requirements of Securities and Exchange Commission Memorandum Circular No. 06, Series of 2020. Thereupon, the Chairman declared the presence of a quorum and called the meeting to order.

**IV. READING AND APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 12 JULY 2023**

The reading of the minutes of the Annual Stockholders' Meeting held on 12 July 2023 was dispensed with. The Assistant Corporate Secretary then reported that stockholders owning or representing at least 78.68% of the outstanding capital stock have voted to approve the Minutes of the Annual Meeting of the Stockholders held on 12 July 2023.

**V. PRESIDENT'S REPORT ON OPERATIONS**

The President delivered the annual report to the stockholders of the Corporation to report on the operations and financial performance of the Corporation this past year. A copy of the President's Report is attached as **Annex "A"**.

**VI. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES & MANAGEMENT**

The Chairman submitted for the approval and ratification of the stockholders all acts and resolutions of the Board of Directors, Board Committees and Management which were duly adopted in the ordinary course of business from 12 July 2023 until 09 July 2024.

The Assistant Corporate Secretary then reported that stockholders owning or representing at least 78.68% of the outstanding capital stock have voted to approve the following resolution:

**"RESOLVED**, That, all acts and resolutions of the Board of Directors, Board Committees, and Management adopted in the ordinary course of business since the last Annual Stockholders' Meeting held on 12 July 2023 until 09 July 2024 be approved."

**VII. APPOINTMENT OF EXTERNAL AUDITOR FOR THE FISCAL YEAR ENDING 31 DECEMBER 2024**

The Assistant Corporate Secretary reported that stockholders owning or representing at least 78.68% of the outstanding capital stock have voted to approve the following resolution:

**"RESOLVED**, That the appointment of R.S. Bernaldo and Associates as the external auditors of the Corporation's financial statements for the year ending 31 December 2024 be approved."

**VIII. ELECTION OF DIRECTORS**

The Assistant Corporate Secretary explained that on behalf of the Corporate Governance Committee and in accordance with the Corporation's Amended By-Laws and Corporate Governance Manual, the final list of nominees for the members of the Board of Directors are as follows:

RESTITUTO T. LOPEZ (Independent Director)  
MARK ANTHONY C. MIGALLOS (Independent Director)  
EDMUNDO G. LAS

AUGUSTO PABLO A. CORPUS, JR.  
ROBERT IVAN F. OLANDAY  
IGNACIO SALVADOR GIMENEZ, III  
JOHN F. CATINDIG

The Assistant Corporate Secretary reported that each nominee received votes equivalent to at least 78.68% of the shares present/represented in the meeting. Thereafter, the Chairman declared the foregoing nominees as duly elected Directors who shall serve as such until their successors shall have been duly elected and qualified.

**IX. OTHER MATTERS**

**A. QUERIES FROM STOCKHOLDERS**

The Assistant Corporate Secretary stated that the Corporation received the following queries from the stockholders via email prior to the meeting:

*1. What measures are being taken to improve operational efficiency and reduce cost?*

The Chairman explained that improving operational efficiency and reducing costs are at the forefront of the Corporation's strategic initiatives. The Corporation has implemented more stringent cost control measures and optimized resource allocation to ensure that it is getting the best value for its expenditures. The Chairman further explained that this includes negotiating better terms with suppliers, reducing unnecessary overhead, and leveraging technology to streamline operations. The Chairman added that the Corporation's focus on operational excellence has already led to a reduction in Cost of Sales to 39.3 million in 2023, which demonstrates its commitment to efficiency.

Finally, the Chairman stated that the Corporation is continuously monitoring and adjusting its strategies to respond to changing market conditions effectively.

*2. What specific steps are being taken to prevent further tenant turnover, and how are you attracting new tenants?*

The Chairman explained that the Corporation recognizes the impact that tenant turnover has had on its financial performance, particularly in the second half of 2023. To address this, the Corporation has implemented several key initiatives. First, the Corporation is enhancing its client-centric approach by working closely with current and prospective tenants to better understand and meet their needs. The Chairman added that this includes offering more flexible lease terms and creating a more attractive pricing structure. Second, the Corporation has increased its marketing efforts to attract new tenants, highlighting the benefits of its properties and the improvements it has made.

Furthermore, the Chairman explained that the Corporation is focusing on upgrading its facilities to make them more appealing in the current market environment. The Chairman reported that such efforts are already showing positive results, as evidenced by the ten (10) new lease contracts that the Corporation secured in 2023 and the fifteen (15) new lease contracts so far in 2024.

**X. ADJOURNMENT**

There being no further business to transact, and upon motion made and duly seconded, the meeting was adjourned.

CERTIFIED CORRECT:

**ERIC T. DYKIMCHING**  
Assistant Corporate Secretary

ATTESTED BY:

**AUGUSTO PABLO A. CORPUS, JR.**  
Presiding Officer

## **PRESIDENT'S REPORT ON OPERATIONS**

"As we reflect on the year 2023, it has been a journey marked with challenges and opportunities, demonstrating our resilience and determination in navigating the evolving real estate landscape. Despite facing setbacks in our financial performance compared to the previous year, we at KPPI remain steadfast and optimistic about the future.

Throughout the year, we encountered various hurdles that impacted our net income and revenue streams. The net loss of 1.39 million in 2023, compared to the 0.47 million loss in 2022, reflects the challenges we faced. Factors such as market fluctuations, increased operational costs, and external economic conditions influenced these outcomes. Additionally, the second half of 2023 saw significant tenant turnover at Kepwealth Center Cebu (KCC), with 16 tenants either downsizing or vacating their spaces due to the continued trend of work-from-home arrangements. However, this move-out was mitigated by securing 10 new lease contracts, demonstrating our proactive efforts to stabilize occupancy rates.

Amidst these challenges, there are notable highlights that underscore our commitment to progress and sustainable growth. Our prudent financial management strategies led to a reduction in Cost of Sales to 39.3 million, demonstrating our efficiency in operations. Moreover, we strategically placed investible funds in higher-yielding investment instruments, resulting in an increase in Other Income to 11.3 million, compared to 7.7 million in 2022.

Additionally, our focus on operational excellence and strategic planning enabled us to address the surge in Other Expenses to 23.5 million, a necessary investment in our future growth initiatives. Furthermore, our efforts in maximizing tax credits to 3.7 million, from 1.4 million in 2022, exemplify our commitment to prudent fiscal management and capital utilization.

As we move into 2024, we acknowledge the challenges of the first six months of this year and remain determined to enhance our financial performance, operational efficiency, and strategic positioning in the market. Revenue and Other Income for the first six months of 2024 was 29.9 million compared to 31.2 million in 2023. While cost of sales and operating expenses in 2024 for the same period was 30.3 million compared to 31 million in 2023.

This led to a loss before tax of 343 thousand for the period compared to an income of 198 thousand in 2023. However, due to tax credits, we have a net income of 890 thousand in the first six months of 2024 compared to 716 thousand in 2023.

The rest of 2024 seems brighter, with 10 new tenants in the first six months compared to only 2 tenants that moved out. Furthermore, 5 new tenants are scheduled to move in from July to October 2024, including a 5-year contract with a tenant who will occupy about 72% of the leasable area in our One San Miguel Condominium units. These new tenants are projected to add over 7.5 million pesos in total revenue and reduce our Condominium Dues Expense by over 1.6 million for 2024. These positive developments reflect our proactive efforts in securing and retaining tenants, and we are confident that

these programs will continue to significantly enhance our occupancy rates and revenue streams as we move forward.

We will carry over our strategic initiatives from last year, as they have proven effective and continue to be relevant in driving KPPI towards sustainable growth:

1. **Enhancing Operational Efficiency:** By streamlining our operations, optimizing resources through effective planning, and implementing robust cost control measures, we aim to improve our competitiveness and profitability.
2. **Client-Centric Approach:** We will continue to prioritize our clients and tenants by closely working with them to offer leasable spaces and facilities that meet their evolving business needs and budget constraints. Strengthening relationships and cultivating loyalty remain paramount in our highly competitive landscape.
3. **Talent Development and Engagement:** Our employees and agents are the driving force behind our achievements. We are committed to nurturing a culture of innovation and continuous learning, providing opportunities for growth, and fostering a supportive work environment.
4. **Market Expansion and Diversification:** Actively exploring opportunities to broaden our market presence, identify changes in market preferences, and forge strategic partnerships with our tenants and affiliates will enable us to capitalize on undeveloped opportunities and protect our long-term sustainability.

Your continued support and trust are invaluable to us at KPPI, and we are grateful for your unwavering commitment to our shared vision. Together, we will overcome challenges, seize opportunities, and shape a promising future for KPPI.

Thank you for your ongoing support and confidence in KPPI. Together, we will forge a path of sustainable growth and success.

I would like to express my utmost appreciation to the Board of Directors for their guidance and strategic foresight. I also extend my sincere gratitude to our dedicated employees and agents for their hard work and unwavering commitment.

Thank you, once again, for your ongoing support and confidence in KPPI.”