

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF  
ALLHOME CORP.**

Held by remote communication  
on Wednesday, July 22, 2020, 10:00 a.m.

**DIRECTORS AND OFFICERS PRESENT IN THE MEETING**

Manuel B. Villar, Jr.	- Chairman of the Board
Camille A. Villar	- Vice Chairman of the Board, Member of the Corporate Governance Committee
Benjamarie Therese N. Serrano	- President
Frances Rosalie T. Coloma	- Treasurer and Chief Financial Officer
Manuel Paolo A. Villar	- Director, Member of the Audit Committee
Laura Suarez Acuzar	- Independent Director, Chairman of the Audit Committee, Member of the Corporate Governance Committee
Jessie D. Cabaluna	- Independent Director, Chairman of the Corporate Governance Committee, Member of the Audit Committee
Jo Marie Lazaro Lim	- Corporate Secretary
Mary Lee S. Sadiasa	- Chief Operating Officer
Robirose M. Abbot	- Head of Investor Relations
Maria Cristina O. Barao	- Compliance Officer and Controller

**SHARE INFORMATION**

TOTAL ISSUED AND OUTSTANDING SHARES	:	3,750,000,002 common
TOTAL NUMBER OF SHARES REPRESENTED IN THE MEETING	:	
	<i>By Chairman as proxy</i>	3,171,779,600 common
	<i>By voting in absentia</i>	5,900 common

**CALL TO ORDER**

The Chairman of the Board, Mr. Manuel B. Villar, Jr., called the meeting to order and presided over the same. The Corporate Secretary, Ms. Jo Marie L. Lim, recorded the minutes of the meeting.

**CERTIFICATION OF NOTICE AND QUORUM**

At the request of the Chairman, the Corporate Secretary certified that notices of the meeting were published in print and online format in the Manila Times and Business Mirror, both newspapers of general circulation, on June 30 and July 1, 2020 and posted on the website of the Company and the Philippine Stock Exchange (PSE), all in accordance with the requirements of the Securities and Exchange Commission (SEC), that there were represented in the meeting stockholders owning a total of 3,171,785,500 common and preferred shares representing 84.58% of the total issued and outstanding voting stock of the Company, and that there is therefore a quorum at the meeting.

The Corporate Secretary explained that the meeting is being conducted through remote communication pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, and proceeded to discuss the rules and procedures for the conduct of the meeting.

**APPROVAL OF THE MINUTES OF THE LAST ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 17, 2019**

The Chairman noted that the next item in the agenda is the approval of the minutes of the last Annual Meeting of Stockholders held on May 17, 2019, a copy of the same minutes of meeting may be found in the Company's website, and a summary of the same is contained in the Definitive Information Statement circulated prior to the meeting.

At the request of the Chairman, the Corporate Secretary reported that shareholders owning 3,093,868,900 shares or 97.54% of the total voting shares represented in the meeting have voted in favor of the approval of this corporate action.

Accordingly, the Chairman declared the minutes of the last Annual Meeting of Stockholders held on May 17, 2019 approved.

The breakdown of the votes cast on this matter was as follows:

Votes in favor –	3,093,868,900 (representing 97.54% of total votes cast)
Votes against –	0
Abstentions –	77,916,600 (representing 2.46% of total votes cast)

## **PRESIDENT'S REPORT / APPROVAL OF 2019 AUDITED FINANCIAL STATEMENTS**

The President, Ms. Benjamarie Therese N. Serrano, reported the highlights of the Company's operations and financial performance for the year 2019, as follows:

2019 was a milestone year for AllHome. In 2013, the Company introduced a unique and upgraded retail concept—a world-class one-stop shop home store—AllHome. In just a span of six years, the Company was able to successfully expand and grow the business by offering a haven that housed everything anyone could possibly need for their homes: building construction materials, tiles, sanitary, hardware, decorating needs, appliances, furniture, linens and homeware, all set in beautiful, comfortable, spacious stores that are conveniently accessible to growing communities.

With the subsequent listing of AllHome, the Company has considerably strengthened both its operations and financial position. The calculated move made it easier for the Company to take advantage of the underpenetrated home improvement industry in the country. The funds raised from the public offering, then considered as one of the largest in recent years undertaken by a Philippine company, enabled the Company to compete more effectively and strengthened its foothold as a pioneer in the home improvement industry.

The Company delivered excellent results in 2019. It crossed the Php 12B mark in sales and Php 1B in net profits, registering a 105.3 percent growth in net income and a 67.7 percent growth in total revenue over 2018. The Company has also sustained its gross margin to 29.9% while delivering a marked improvement in its operating margin by almost 500 basis points to 15.7% from 10.8% in the prior year. The Company's same store sales growth was a record at 41.7% compared to 16.3% in 2018. Average transaction value and number of transactions also posted double digit growth for the year to Php 3,442 and 3.157M for the year.

In terms of the Company's financial position, its total assets have more than doubled to Php19.6B as of end 2019 from Php 8.2B in 2018, primarily due to the fresh capital it raised from listing. The Company ended 2019 with a cash balance of Php 2.3B from Php 0.3B in 2018. Inventories were at Php 5.2B and property and equipment ended 2019 with Php 11.1B as it rolled out 22 additional stores during the year. The Company's equity base by the end of 2019 was at Php 12.4B due to the issuance of stocks and net income recorded during the period. The Company also fully settled all its loans amounting to Php 4.3B as part of its use of proceeds from listing.

By constantly calibrating and improving store size, design and layout, the Company's aggressive expansion program grew from just four stores with a little over 23,000 sqm of net retail space in Mega Manila and Pampanga in 2013 to a total of 45 outlets nationwide in 2019 with a total net selling area of 296,772 sqm in three store formats. In 2019 alone, the Company opened 22 stores across the country. As of last year, within the Company's network are 22 large mall-based, 10 large free-standing, and 13 small specialty stores.

AllHome offers a balanced product category mix. It covers seven main categories with over 250,000 SKUs extensively spread across its store formats, including: furniture, appliances, homewares, linens, hardware, tile & sanitary wares and construction. AllHome's standard product offering, as well as its 27 in-house brands that typically generate significantly higher margins, have positioned AllHome as a leader in home essentials and home improvement in the country. Maintaining very good relationships with both its local and international suppliers facilitated this expansive selection of items in AllHome's inventory.

The Company's synergistic relationship with Vista Land has given AllHome the ability to scale up more quickly, using available, strategically-located commercial areas of Vista Land and creating a unique retail ecosystem with its affiliates: Vista Malls, AllDay Supermarket, Coffee Project, Vista Cinemas and the other retail brands of the Group. The same synergies have also provided the Company a deeper understanding of its target market and enabled the Company to continuously calibrate its product offerings to suit home needs.

Another dimension of the Company's retail ecosystem is the AllRewards Card. A total of 371,567 members enjoy the perks and benefits of the AllRewards Card. Via AllRewards loyalty program, members can earn points from AllHome that can be redeemed against the purchase of home goods and can also be used for coffee and food at Coffee Project, tickets to Vista Cinemas, or groceries from AllDay Supermarkets. AllRewards has created loyalty and helped the Company learn more about consumer behavior and demographics, enabling it to come up with compelling home packages appropriate for its customers' needs.

Having a highly competent and experienced management and staff allowed the Company to replicate operations in newly-opened stores and quickly assign well-trained personnel to these sites as needed. It has established three distribution centers and currently utilize an integrated inventory system that uses SAP to support inventory flow, monitor inventory leads and enhance operational efficiency. The Company also has dedicated logistics partners that ensure timely inventory replenishment in its stores as well as deliveries to its customers. Investing in IT systems early has paid off, as the Company can now actively analyze product offtake and optimize inventory levels and product mix, both in the selling area and in the warehouses.

Amidst the challenges brought about by the onset of the Covid-19 Pandemic in early 2020, the Company still views the coming years with optimism and plan to take full advantage of its balanced category mix to see the business through.

At the request of the Chairman, the Corporate Secretary reported that shareholders owning 3,171,785,500 shares or 100% of total voting shares represented in the meeting have voted in favor of the approval of this corporate action.

Accordingly, the Chairman declared the President's Report and the Annual Report of the Company for the year ended December 31, 2019 noted and the Audited Financial Statement of the Company as of and for the year ended December 31, 2019 approved.

The breakdown of the votes cast on this matter was as follows:

Votes in favor –	3,171,785,500 (representing 100% of total votes cast)
Votes against –	0
Abstentions –	0

## **RATIFICATION OF ACTS OF BOARD OF DIRECTORS AND MANAGEMENT**

At the request of the Chairman, the Corporate Secretary explained that Management is proposing the ratification of the acts of the Board of Directors and Management of the Company for the year 2019 until the day of the meeting, as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the Securities and Exchange Commission and the Philippine Stock Exchange and as more particularly described in the Definitive Information Statement for the meeting.

The Corporate Secretary then reported that shareholders owning 3,171,785,500 shares or 100% of total voting shares represented in the meeting have voted in favor of the approval of this corporate action.

Accordingly, the Chairman declared the acts of the Board of Directors and Management of the Company for the year 2019 until July 22, 2020 ratified.

The breakdown of the votes cast on this matter was as follows:

Votes in favor –	3,171,785,500 (representing 100% of total votes cast)
Votes against –	0
Abstentions –	0

## **ELECTION OF DIRECTORS**

At the request of the Chairman, the Corporate Secretary reported that the following individuals have been nominated for election as directors of the Company:

Manuel B. Villar, Jr.  
Camille A. Villar  
Benjamarie Therese N. Serrano  
Frances Rosalie T. Coloma  
Manuel Paolo A. Villar  
Laura Suarez Acuzar  
Jessie D. Cabaluna

The Corporate Secretary identified Ms. Acuzar and Ms. Cabaluna as independent directors. She added that the Nominations Committee of the Board has evaluated the nomination of these individuals and confirmed that they possess all the qualifications and have none of the disqualifications to be elected as directors of the Company, and that Ms. Acuzar and Ms. Cabaluna meet all the requirements for election as independent directors of the Company under the Securities Regulation Code and its Implementing Rules and Regulations.

The Corporate Secretary then stated that considering that there are only seven nominees for the seven Board seats and each nominee received votes, each of the nominees has received sufficient votes for election to the Board.

Accordingly, the Chairman declared the seven nominees named by the Corporate Secretary elected as directors of the Company for the year 2020 and until their successors have been duly elected and qualified.

The number of votes cast in favor of each directors is as follows:

Manuel B. Villar, Jr.	-	3,087,023,800
Camille A. Villar	-	3,050,597,900

Benjamarie Therese N. Serrano	-	3,171,784,600
Frances Rosalie T. Coloma	-	3,063,887,000
Manuel Paolo A. Villar	-	3,034,265,200
Laura Suarez Acuzar (Independent Director)	-	3,171,783,700
Jessie D. Cabaluna (Independent Director)	-	3,171,783,700

### **APPOINTMENT OF EXTERNAL AUDITOR**

The Corporate Secretary stated that the Audit Committee of the Board recommended, and Management is accordingly proposing to the stockholders, the re-appointment of Punongbayan and Araullo as external auditors of the Company for the year 2020.

The Corporate Secretary then reported that shareholders owning 3,170,546,500 shares or 99.96% of total voting shares represented in the meeting have voted in favor of the approval of this corporate action.

The Chairman accordingly declared Punongbayan and Araullo. reappointed as external auditors of the Company for the year 2020.

The breakdown of the votes cast on this matter was as follows:

Votes in favor –	3,170,547,500 (representing 99.96% of total votes cast)
Votes against –	1,238,000 (representing 0.04% of total votes cast)
Abstentions –	0

### **OTHER MATTERS**

The Company's Head of Investor Relations, Ms. Robirose M. Abbot, read the questions received from the shareholders of the Company, and the same were addressed by the Chief Financial Officer, as follows:

1. Can the management discuss the effects of the COVID-19 pandemic to the Company's business? (Question from Ms. Rosil Joana Lupac)

Due to the COVID 19 pandemic, an enhanced community quarantine was imposed in Luzon on March 17 until May 15 under which non-essential businesses were not allowed to operate. For the last 2 weeks of March, AllHome stores were closed. Starting April, the Company capitalized on the retail ecosystem under the AllValue group and put up beside AllDay supermarkets pop-up stores with complementary essential merchandise (i.e., hardware, sanitation materials, storage items and some storage and air-conditioning appliances).

The Company also utilized its presence in social media, such as Viber communities, and pushed its ecommerce platform AllHomeclick.com. All these enabled the Company to generate some sales in the month of April, and this further improved in the months of May and June when MECQ and GCQ were respectively implemented.

The closure of stores had enabled the Company to restructure its store organization, by trimming down its manpower to the basic, streamlining some operational processes and strengthening its core operations. The resulting reductions in operational expenses can be seen in the Company financial results as of Q2 2020.

2. How many stores does the Company have as of now? And will there be new store openings in the second half of the year? (Question from Mr. Eronnie de Guzman)

The Company has 45 stores as of year-end 2019 and until now. The pandemic and consequent enhanced community quarantine halted store construction and fit-out activities of the Company; thereby, pushing forward the supposed opening of 4 stores in the 1H 2020.

With the incurred delay in construction and the economic impact of the pandemic, the Company is assessing the new normal and the economic prudence of which new stores to pursue. Most of the supposed 25 new stores scheduled for opening this year have ongoing/started construction before the pandemic and ECQ set in, and the Company has the ability to fast track construction when needed.

### **ADJOURNMENT**

There being no further business to transact, the Chairman declared the meeting adjourned.

CERTIFIED CORRECT:

(signed)  
**JO MARIE LAZARO LIM**  
Corporate Secretary

ATTESTED BY:

(signed)  
**MANUEL B. VILLAR, JR.**  
Chairman