

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

Held by remote communication  
on Friday, June 23, 2023, 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
Benjamin Therese N. Serrano	- President
Frances Rosalie T. Coloma	- Director and Treasurer
Manuel Paolo A. Villar	- Director
Jessie D. Cabaluna	- Independent Director
Raul Juan N. Esteban	- Independent Director Nominee
Atty. Arbin Omar P. Cariño	- Corporate Secretary
Marianita N. Domingo	- Chief Operating Officer
Robirose M. Abbot	- CFO, CRO, and Head of Investor Relations
Louella M. Fernandez	- Controller and Compliance Officer

**SHARE INFORMATION**

TOTAL ISSUED AND OUTSTANDING SHARES	:	3,750,000,002 common
TOTAL NUMBER OF SHARES REPRESENTED IN THE MEETING	:	
By Chairman as proxy	:	3,103,725,481 common
By voting in absentia	:	0

**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, Atty. Arbin Omar P. Cariño, 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 Bulletin and BusinessWorld, both newspapers of general circulation, on June 1 and June 2, 2023 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 3,103,725,481 common and preferred shares representing 82.77% 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 JUNE 24, 2022**

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 June 24, 2022, 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 3,103,725,481 shares or 100% 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 June 24, 2022 approved.

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

Votes in favor –	3,103,725,481 (representing 100% of total votes cast)
Votes against –	0
Abstentions –	0

## **PRESIDENT'S REPORT / APPROVAL OF 2022 AUDITED FINANCIAL STATEMENTS**

Ms. Camille A. Villar, Director and Vice Chairman of the Company, reported on behalf of AllHome's President, Ms. Benjamarie Therese N. Serrano, the highlights of the Company's operations and financial performance for the year 2022 as follows:

AllHome faced many challenges in 2022, most notably the loss of three stores along with Starmall Alabang and the surge of the Omicron variant. Despite these trials, AllHome is determined to live up to its pioneering spirit to deliver value.

The Company delivered Php12.565 billion in revenue. This is 12.3% behind versus its 2021 performance and translates to NIAT of Php934 million. The weakened sales were attributed to the decline in the hard categories, from the second quarter through to the end of 2022, from a number of reasons: the Omicron surge in the 1st quarter, lower store traffic due to heavy rains and strong typhoons in August and September, and notably, the shift of consumer spending towards travel, leisure, and entertainment.

AllHome has a customer base of end users, one that has a different purchasing behavior from the construction market of contractors, builders, and developers. The management foresees these professionals ending their build phase and moving to turnover starting in the latter part of 2023, which will feed into the Company's market base's finishing needs, and which will then also create demand for refurbishing – a part and parcel of AllHome's soft categories.

AllHome improved its Gross Profit Margin to 36.8% in 2022, an increase of 180 basis points versus 2021 GP Margin of 35%, and 690 basis points compared to pre-pandemic levels of 29.9% in 2019. For the same period, the Company turned in an EBITDA of 25.6% in 2022 versus 23.9% in 2021, and higher than the pre-pandemic 21.6% in 2019. The Company aims to continue to pursue efforts to derive more value from its revenues through margin growth in the post-pandemic market. In the fourth quarter of 2022, stand-alone GP margin reached 38.5%.

The Company's soft categories remain strong, carrying a 72% contribution to total sales 2022. The Company looks to maximize opportunities in these categories.

Despite challenges like the Omicron surge, consumers are observed to be returning to stores in increasing number. The Company continues to optimize strategic pricing, advance inventory

positioning at lower cost amidst rising inflation, purchase negotiation gains, maximize revenue contribution and selection of its now 45 in-house brands, focus on fast-selling and higher GP SKUs, and ensure fresh merchandise thru periodic review and regular flush-out of slow-moving SKUs. As of 2022, in-house brands sales contribution is at 10.9%, which provided additional 15 to 25% to GP margin generated from 3rd party brands.

The Company also demonstrated its ability to improve efficiencies and processes: recalibrating inventory level, saving on CAPEX and OPEX, optimizing store size and lay-out with complementary technology and digitalization, and the pursuit of initiatives to minimize energy consumption and for more environmentally friendly operation.

As to the expansion plan of the Company, AllHome opened six new stores in 2022, bringing the network total to 60 stores, net of the three Alabang stores destroyed by fire: 45 stores in Mega Manila, 7 stores in Luzon ex-Mega Manila, 5 in Mindanao, and 3 in Visayas. With this expansion, the Company's total assets increased to Php 26.734 billion in 2022 from Php 25.813 billion in 2021, equity reached Php15.283 billion in 2022 from Php14.626 billion in 2021, and maintained total liabilities at approximately the same level.

While the Company is on track to reach the target of 100 stores by 2026, the Company is also looking into a possible achievement of revenue goals with fewer than 100 stores by optimizing the revenue generating capacities of each store. The expansion focus remains trained on NCR+ and Tier 1 cities, as the country is still experiencing the effects of the pandemic.

The Company has a strong foundation in its synergies with the Villar Group, as it continues to enjoy synergistic relationships with Vista Land developments, primarily the Camella, Crown Asia, and Brittany communities.

While the Company has already built up a capacity to engage customers through multiple channels, the management continues to incrementally improve AllHome's omnichannel strategy. The Digital Transformation continues, constantly improving customers' digital experience as a complement to its in-store offerings. To this end, AllHome's e-commerce platform continues to evolve to meet consumer trends and demands, with improvements such as a 360-degree virtual store tour, Personal Shoppers, and contactless pick-up, delivery, and payment options. The Company has also engaged online marketplaces to synergize with its current digital storefront. AllHome has expanded synergies with the country's leading third-party platforms such as to now include Lazada, Shopee, and PayMaya Mall, and partnering with on-demand delivery services like Metromart, Pickaroo and Grabmart.

Recognizing the new currents in consumer spending and behavior, the Company has remained aggressive in pursuing marketing initiatives and staying abreast of industry trends through partnerships with the leading voices and organizations in the Philippine home retail industry. AllHome is a constant host to the conferences of the United Architects of the Philippines, and a consistent source of support for Worldbex—initiatives that drive and reinforce customer awareness with the Company's target market of end users.

The report also highlighted the corporate social responsibility projects of AllHome which is spearheaded by the Villar Group's in-house socio-responsibility arm, AllHome Builds. The Company has expanded its ESG focus from 3 in 2021 to 6 UN Sustainable Development Goals as of 2022, adding Responsible Consumption and Production, Quality Education and Gender Equality. Towards Responsible Consumption and Production, AllHome has begun plans to switch all 60 large stores to renewable energy through solar panels and increased efficiency in the stores. To date, this has resulted in 8-10% savings on energy consumption. Towards Quality Education, AllHome has spearheaded the renovation and donation of equipment to multiple public educational institutions. Towards Gender Equality, AllHome employees receive equal opportunities and protection from any form of harm and discrimination. Currently, roughly 50% of AllHome employees are women, with the AllHome board being 71 percent female, while 90 percent of the company's management positions are held by women.

In closing, the report emphasized that as the Company looks to again rise to the occasion, it should be

reminded to look back on 2022 as a boon - the year that gave the Company an opportunity not only to prove itself against challenges, but also to take stock of the strengths of AllHome.

At the request of the Chairman, the Corporate Secretary reported that shareholders owning 3,103,308,481 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, 2022 noted and the Audited Financial Statement of the Company as of and for the year ended December 31, 2022 approved.

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

Votes in favor –	3,103,308,481 (representing 100% of total votes cast)
Votes against –	0
Abstentions –	417,000 (representing 0% of total votes cast)

### **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 2022 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 3,103,308,481 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 2022 until June 23, 2023 ratified.

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

Votes in favor –	3,103,308,481 (representing 100% of total votes cast)
Votes against –	0
Abstentions –	471,000 (representing 0% of total votes cast)

### **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  
Benjamin Therese N. Serrano  
Frances Rosalie T. Coloma  
Manuel Paolo A. Villar  
Jessie D. Cabaluna  
Raul Juan N. Esteban

The Corporate Secretary identified Ms. Cabaluna and Mr. Esteban as independent directors. He 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. Cabaluna and Mr. Esteban 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 2023 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.	-	2,928,545,274
Camille A. Villar	-	2,931,626,246
Benjamarie Therese N. Serrano	-	3,103,725,481
Frances Rosalie T. Coloma	-	2,931,912,246
Manuel Paolo A. Villar	-	2,931,912,246
Jessie D. Cabaluna (Independent Director)	-	3,103,725,481
Raul Juan N. Esteban (Independent Director)	-	3,103,725,481

#### **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 2023.

The Corporate Secretary then reported that shareholders owning 3,103,725,481 shares or 100% 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 2023.

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

Votes in favor –	3,103,725,481 (representing 100% of total votes cast)
Votes against –	0
Abstentions –	0

#### **APPROVAL OF THE WITHDRAWAL OF APPLICATION FOR THE AMENDMENT OF ARTICLES OF INCORPORATION**

The Corporate Secretary stated that the Management is proposing to the stockholders the withdrawal of the application for the amendment of Articles of Incorporation as approved by the Board of Directors on May 2, 2023, and as set forth in the disclosures that have been duly filed with the Securities and Exchange Commission and the Philippines Stock Exchange and as more particularly described in the Definitive Information Statement for this meeting.

The Corporate Secretary then reported that shareholders owning 3,103,725,481 shares or 100% of total voting shares represented in the meeting have voted in favor of the approval of this corporate action.

The Chairman accordingly declared the withdrawal of the application for the amendment of Articles of Incorporation approved by the shareholders.

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

Votes in favor –	3,103,725,481 (representing 100% of total votes cast)
Votes against –	0
Abstentions –	0

### **OTHER MATTERS**

Mr. Clifford Gapate from the Company's Investor Relations Team read the questions received from the shareholders of the Company, and the same were addressed by the Chief Operating Officer, Ms. Marianita Domingo, as follows:

1. Will you be shifting away from hard given your strengths in soft? (Question from Mr. James Ruiz)

The Company will not totally shift away from hard categories but the focus will be on the strong soft categories.

2. What are your cost efficiency initiatives (Question from Mr. Reymart Nerizon)

The Company continuously optimizes its operating expenses to improve its margins. It regularly reviews its store size and layout to optimize CAPEX and OPEX, and installed solar panels to reduce electricity consumption. In addition, all escalators of the Company are 100% inverter type.

### **ADJOURNMENT**

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

CERTIFIED CORRECT:

(signed)  
**ARBIN OMAR P. CARIÑO**  
Corporate Secretary

ATTESTED BY:

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