

**MINUTES OF THE
ANNUAL CERTIFICATEHOLDERS' MEETING
OF
HERITAGE PARK MANAGEMENT CORPORATION**

Held on 15 December 2023, Friday, 10:00 A.M.
via Remote Communication through Zoom

<u>PRESENT:</u>	<u>NO. OF VOTING RIGHTS</u>
Total Number of Issued and Outstanding Heritage Park Investment Certificates with Voting Rights Represented In Person and By Proxy	54,063
Total Number of Issued and Outstanding Heritage Park Investment Certificates	<u>107,762</u>
Attendance Percentage to Total Issued and Outstanding Heritage Park Investment Certificates	<u>50.17%</u>

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I. CALL TO ORDER

The Chairman, General Delfin N. Lorenzana (Retired), called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, Jr. ("Atty. Cabrera"), recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that:

- a. Notice for this meeting was published in The Philippine Daily Inquirer and the Manila Standard for two (2) consecutive days at least twenty-one (21) days prior to the date of this meeting.
- b. The certificateholders were notified of the internal guidelines of the Corporation for participation in this meeting through remote communication in accordance with applicable rules.
- c. The meeting was conducted through remote communication pursuant to Section 49 of the Revised Corporation Code of the Philippines, Securities and Exchange Commission Memorandum Circular No. 06 Series of 2020, and Board of Trustees' approval on the authorization (i) for the conduct of the 2023 Annual Certificateholders' Meeting through remote communication; and (ii) for the certificateholders to vote on

matters stated in the agenda through remote communication. All certificateholders present attended the meeting through remote communication via Zoom.

- d. A quorum consisting of 50.17% of the One Hundred Seven Thousand Seven Hundred Sixty Two (107,762) total issued and outstanding Heritage Park Investment Certificates ("HPICs") existed for the valid transaction of business.

Atty. Cabrera informed the certificateholders that the "Guidelines for Participation via Remote Communication and Voting in Absentia and through Proxy" for the meeting were uploaded at the Corporation's website. He further informed the certificateholders of the following:

1. Only certificateholders whose Letter(s) of Intent or proxy forms have been validated or verified were allowed to participate in the Annual Certificateholders' Meeting and to cast their votes for this meeting through the voting portal.
2. Resolutions proposed to be approved by the certificateholders under the Agenda will be shown on the screen as it is being taken up.
3. Votes cast as of 13 December 2023 for each matters in the Agenda have been tabulated and results will be announced during the meeting.
4. A detailed result of the tabulation of the votes cast indicating the affirmative votes, negative votes and abstentions will be reflected in the Minutes of this meeting.
5. Relevant questions which have been submitted on or before 11 December 2023 will be addressed accordingly under the Other Matters item in the Agenda. Questions and comments not taken up during the meeting shall be addressed by the Corporation directly to the certificateholders via email.
6. All participants will be on mute and no video except the directors and officers of the Corporation who are participating in the meeting.
7. The meeting proceedings shall be recorded in audio and video format to be safe kept by the Office of the Corporate Secretary and shall be made available in a secured manner to certificateholders upon request by sending an email to HeritageParkACM@rmmi.com.ph.

III. APPROVAL OF PREVIOUS MINUTES

Atty. Cabrera stated that the electronic copies of the Minutes of the Annual Certificateholders' Meeting held on 30 June 2021 were uploaded at the Corporation's website.

After discussion, and upon motion duly made and seconded, the certificateholders approved the following resolution:

Resolution No. 2023-CH-01

"RESOLVED, That the Certificateholders of the Corporation hereby approves the Minutes of the Annual Certificateholders' Meeting held on 30 June 2021."

The votes for the approval of the Minutes of the Annual Certificateholders' Meeting held on 30 June 2021 are as follows:

	For	Against	Abstain
% of HPICs represented in Person and by Proxy	100.00%	Nil	Nil

IV. REPORT OF THE PRESIDENT

Mr. Jacob rendered the Report of the President to the certificateholders.

The highlights of the Report of the President were as follows:

- a) The Perpetual Care Fund ("PCF") has shown signs of improvements vis-à-vis prior years due to initiatives undertaken by the Board of Trustees to shore up revenues and managing operating expenses of the Corporation.

These initiatives include (i) aggressive selling of Pavilion Niches; (ii) lease of certain portion of the Heritage Park to Shell Pilipinas ("Shell"); and (iii) share of sales in the interment revenues and managed operations of Rosehills Memorial Management Philippines, Inc. ("RMMI"), the operations and maintenance operator of Heritage Park.

- b) Pavilion Niches sales has grown over the years from 20 niches sold in 2016 to 400 niches sold in 2021. There were 376 niches sold in 2022 amounting to PhP28 Million.

c) The Statement of Comprehensive Income is set forth below:

HERITAGE PARK PROJECT - PERPETUAL CARE FUND TRUST
STATEMENTS OF COMPREHENSIVE INCOME
For The Years Ended December 31, 2022 and 2021

	<i>Notes</i>	2022	2021
REVENUES	<i>4,16</i>		
Rental Income		₱ 22,858,671	₱ 18,239,459
Other Income		49,913,068	46,816,089
Interest Income		5,494,618	8,585,050
Total Revenues		78,266,357	73,640,598
EXPENSES	<i>4,17</i>	63,497,939	55,767,588
NET INCOME FOR THE YEAR		14,768,418	17,873,010
OTHER COMPREHENSIVE INCOME (LOSS)	<i>4,18</i>		
Items that may be reclassified subsequently to profit and loss			
Fair value gain (loss) on financial assets through FVOCI		(8,556,336)	(9,932,273)
TOTAL COMPREHENSIVE INCOME		₱ 6,212,082	₱ 7,940,737

The 2022 rental income amounting to PhP22,858,671 is 25% higher than the 2021 rental income amounting to PhP18,239,459.

The 2022 other income amounting to PhP49,913,068 is 7% higher than the 2022 other income amounting to PhP46,816,089.

The 2022 operating expenses amounting to PhP63,497,939 is 14% higher than the 2021 operating expenses amounting to PhP55,767,588. This is attributable to the park operations resumption prior to the Covid-19 Pandemic.

The 2022 net income amounted to PhP14,768,418 vis-à-vis 2021 net income amounted to PhP17,873,010.

The 2021 total comprehensive income amounted to PhP6,212,082 vis-à-vis 2021 total comprehensive income amounted to PhP7,940,737.

- e) The Statement of Financial Position is set forth below:

HERITAGE PARK PROJECT - PERPETUAL CARE FUND TRUST			
STATEMENTS OF FINANCIAL POSITION			
<i>December 31, 2022 and 2021</i>			
	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	4,5,6	P 95,162,559	P 173,912,011
Receivables	4,5,7	49,356,313	36,756,016
Inventory	4,8	242,566,223	244,955,799
Prepayments and other current assets	4,9	55,096,209	53,081,084
Total Current Assets		442,181,304	508,704,910
Non-Current Assets			
Financial asset through FVOCI	4,5,10	224,573,726	147,034,668
Property and equipment, net	4,5,11	25,869,422	19,642,577
Other non-current asset	4,5,12	2,600,000	2,600,000
Total Non-Current Assets		253,043,148	169,277,245
TOTAL ASSETS		P 695,224,452	P 677,982,154
<u>LIABILITIES AND EQUITY</u>			
Current Liabilities			
Payables	4,5,13	P 110,303,317	P 100,901,482
Unearned revenues-current	4,14	-	1,389,940
Total Current Liabilities		110,303,317	102,291,422
Non-Current Liabilities			
Security deposit	4,19	10,094,326	10,094,326
Total Liabilities		120,397,643	112,385,748
Equity			
Funds and contributions	4, 15	829,657,336	826,639,014
Other comprehensive income	4,18	36,298,893	44,855,229
Deficit	4	(291,129,419)	(305,897,837)
Net Equity		574,826,810	565,596,406
TOTAL LIABILITIES AND EQUITY		P 695,224,452	P 677,982,154

The total assets amounting to PhP695,224,452 in 2022 increased by 2.5% vis-à-vis total assets amounting to PhP677,982,154 in 2021. The increase in the total assets is due to the increase in the financial assets through fair value other comprehensive income.

The PCF deficit in 2022 amounting to -PhP291,129,419 decreased by 5% versus PCF deficit in 2021 amounting to -PhP305,897,837. Management aims to implement various initiatives to shore up the PCF.

- f) The PCF's accumulated deficit at PhP324 Million is on the back of inventory held for sale at book value vis-à-vis marked to market. The details of the inventory are set forth below:

	<u>2022</u>	<u>2021</u>
Pavilion niches	₱ 95,541,841	₱ 97,931,417
Area 2	25,049,166	25,049,166
Taguig area	61,714,286	61,714,286
Terrasauleum	60,260,930	60,260,930
	₱ 242,566,223	₱ 244,955,799

However, if the inventory is appraised at current market value, this will significantly improve the financial position of PCF.

The “Taguig area” memorial lots will yield a gain of PhP586 Million if marked to market. The details are set forth below:

2019 Value	Inventory	Carrying Cost per Inventory	Market Value	Total Gain
61,714,286.00	36	1,714,285.72	18,000,000.00	586,285,714.00

- g) One of the initiatives to generate revenues for the PCF is the sale of the Heritage Heights which consists of 94 estate lots. Heritage Heights aims to further elevate the status of the Heritage Park as the premier memorial park in the Philippines. The Heritage Heights is awaiting issuance of the permits and license to sell by the relevant government agencies. The projected contribution of the Heritage Heights Project to the PCF is about PhP225 Million.
- h) The accomplished projects at the Heritage Park are as follows:
1. Repair of irrigation pumps that supply water to all areas at the Heritage Park. These irrigation pumps were installed in early 2000. The irrigation pumps are needed for grounds maintenance at the Heritage Park.
 2. Replacement of electrical panel boards located at Area 3 and Area 4 of the Heritage Park. The electrical panel were replaced to ensure safe and stable electricity supply to the mausoleums located at Area 3 and Area 4 of the Heritage Park.
- i) The Board of Trustees has identified the need to refurbish Heritage Park to further solidify its status as the premier memorial park in the Philippines. The following are the upcoming projects to be undertaken to improve and elevate the Heritage Park’s overall aesthetic, services and value:
1. Repair and refurbishment of electrical lines;
 2. Refurbishment and improvement of perimeter fence;
 3. Replacement of lampposts;
 4. Repairs of road and drainage; and
 5. Repairs of trash bins and street signs.

After discussion, and upon motion duly made and seconded, the certificateholders approved the following resolution:

Resolution No. 2023-CH-02

“RESOLVED, That the Certificateholders of the Corporation hereby notes and approves the Report of the President.”

The votes for the notation and approval of the Report of the President are as follows:

	For	Against	Abstain
% of HPICs represented in Person and by Proxy	100.00%	Nil	Nil

V. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS OF THE CORPORATION AND THE PERPETUAL CARE FUND AS OF 31 DECEMBER 2021 AND 31 DECEMBER 2022

Atty. Cabrera stated that the copies of the Audited Financial Statements of the Corporation and the Perpetual Care Fund as of 31 December 2021 and 31 December 2022, respectively, were uploaded on the Corporation’s website.

After discussion, and upon motion duly made and seconded, the certificateholders approved the following resolution:

Resolution No. 2023-CH-03

“RESOLVED, That the Certificateholders of the Corporation hereby approves the Audited Financial Statements of the Corporation and the Perpetual Care Fund as of 31 December 2021 and 31 December 2022.”

The votes for the approval of the Audited Financial Statements are as follows:

	For	Against	Abstain
% of HPICs represented in Person and by Proxy	100.00%	Nil	Nil

VI. RATIFICATION OF ALL ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF TRUSTEES AND OF MANAGEMENT FROM 30 JUNE 2021 TO 15 DECEMBER 2023

Atty. Cabrera stated that a summary of all acts, resolutions, and proceedings performed by the Board of Trustees and of Management from

30 June 2021 to 15 December 2023, to be approved, confirmed and ratified by the certificateholders were uploaded on the Corporation's website.

After discussion, and upon motion duly made and seconded, the certificateholders approved the following resolution:

Resolution No. 2023-CH-04

"RESOLVED, That the Certificateholders of the Corporation hereby approves, confirms, and ratifies all acts, resolutions, and proceedings of the Board of Trustees and of Management from 30 June 2021 to 15 December 2023."

The votes for the approval, confirmation, and ratification of all acts, resolutions, and proceedings are as follows:

	For	Against	Abstain
% of HPICs represented in Person and by Proxy	100.00%	Nil	Nil

VII. APPOINTMENT OF EXTERNAL AUDITOR

Mr. Jacob stated that the current external auditor of the Corporation and the Perpetual Care Fund is the auditing firm of Perez, Sese, Villa & Co.

After discussion, and upon motion duly made and seconded, the certificateholders approved the following resolution:

Resolution No. 2023-CH-05

"RESOLVED, That the Certificateholders of the Corporation hereby approves the appointment of Perez, Sese, Villa & Co. as the external auditor of the Corporation and the Perpetual Care Fund for 2022-2023."

The votes for the approval, confirmation, and ratification of all acts, resolutions, and proceedings are as follows:

	For	Against	Abstain
% of HPICs represented in Person and by Proxy	100%	Nil	Nil

VIII. ADJOURNMENT

Atty. Cabrera stated that the last day for the certificateholders to send queries and comments to the items in the Agenda to the Office of the Corporate Secretary via email was on 11 December 2023. He further stated that there were no questions and comments received from the certificateholders.

Chairman Lorenzana extended his gratitude to the certificateholders who attended the 2023 Annual Certificateholders' Meeting and for their continued support.

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

ARSENIO C. CABRERA, JR.
Corporate Secretary

ATTEST:

MGEN. DELFIN N. LORENZANA (RET.)
Chairman

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