

COVER SHEET

1 5 3 9 3

S.E.C. Registration Number

H O U S E O F I N V E S T M E N T S I N C .

(Company's Full Name)

9 / F L O O R G R E P A L I F E B U I L D I N G 2 1 9

S E N . G I L P U Y A T A V E N U E M A K A T I

(Business Address: No. Street City/ Town/ Province)

Atty. Lalaine P. Monserate

Contact Person

8815-96-36

Company Telephone Number

1 2

Month Day Fiscal Year

3 1

Day

SEC FORM 20 - IS (DEFINITIVE)

FORM TYPE

0 8

Month

1 7

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc. Number/Section

Dept. Requiring this Doc. Number/Section

Amended Articles

Amended

Articles

384

Total No. Of Stockholders

Total Amount of Borrowings

95.62%

Domestic

4.38%

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

STAMPS

STAMPS

Remarks= pls. Use black ink for scanning purposes



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of **HOUSE OF INVESTMENTS, INC.** will be held virtually on **Monday, August 17, 2020**, with the proceedings livestreamed and voting conducted via remote communication or *in absentia* through the Company's secure online voting facility.

1. Call to Order
2. Proof of Notice and Certification of a Quorum
3. Approval of the Minutes of the Annual Meeting of the Stockholders held on July 19, 2019
4. Approval of the Management Report and Audited Financial Statements for 2019
5. Amendment of Article First of the Articles of Incorporation to reflect the change in the corporate name of the Company
6. Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company
7. Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Other Committees and the Officers of the Company during the year 2019
8. Election of Directors for 2020-2021
9. Appointment of External Auditors
10. Such other business that may properly come before the meeting
11. Adjournment

Only stockholders of record at close of business on **July 17, 2020** shall be entitled to vote at said meeting or any adjournment thereof.

Pursuant to the alternative modes of notice as provided for in the Securities and Exchange Commission's NOTICE dated April 20, 2020, this notice to stockholders shall be published in the business section of two (2) newspaper of general circulation, in print and online format, for two (2) consecutive days. The Information Statement and other pertinent meeting documents shall be made available in the Company's website (www.hoi.com.ph) and via PSE Edge.

Given the current circumstances, stockholders may only attend and participate in the meeting by remote communication and vote only by proxy or electronically *in absentia*. Stockholders who wish to attend and participate in the meeting by remote communication shall inform and notify the Company by email at hi_asm2020@hoi.com.ph, on or before August 7, 2020. The link to the live webcast of the meeting shall be sent to the email address of the registered stockholder.

For voting via proxy, duly accomplished proxies shall be submitted by email to the Office of the Corporate Secretary at hi_asm2020@hoi.com.ph, for inspection, validation, and recording at least ten (10) days before the Annual Stockholders' Meeting, or on or before August 7, 2020. Proxies received thereafter shall not be recognized for the meeting.

Further details on the procedures for attending and participating in the meeting through remote communication, for casting of votes and the proxy form format are set forth in the Information Statement.

The Company shall record the Annual Stockholder's Meeting and post the same in its website.

Makati City, July 20, 2020.


ATTY. SAMUEL V. TORRES
Corporate Secretary

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF
HOUSE OF INVESTMENTS, INC.

Date : 19 July 2019
Time : 2:30 P.M.
Place : Rooms 527-528 YIAS, 5/F Tower II
RCBC Plaza, 6819 Ayala Avenue
Makati City, Metro Manila

I. CALL TO ORDER.

The Chairman, Ms. Helen Y. Dee, called the meeting to order and asked the Corporate Secretary, Atty. Samuel V. Torres, whether proper notices of the meeting were sent out to the stockholders to which Atty. Torres replied in the affirmative.

As proof, the Corporate Secretary presented the Certification executed by the General Manager of DAG Express Courier, Inc., Mr. Manuel Andrew Chanco IV, certifying to the sending out of notices of the meeting, and Affidavits of Publication, attesting to the publication of the notice in The Philippine Star and Manila Bulletin on 19 June 2019.

II. DETERMINATION OF QUORUM.

The Chairman then asked the Corporate Secretary if there was a quorum for the transaction of business, to which the Corporate Secretary certified as follows:

	<u>No. of Common/Preferred Shares</u>
Stockholders Present in Person or By Proxy	493,071,160 (Common) 601,717,252 (Preferred)
Total	----- 1,094,788,412 Shares
Outstanding No. of Shares Entitled to Vote	615,996,114 (Common) 618,535,387 (Preferred)
Total :	----- 1,234,531,501 Shares
Percentage of Attendance	88.680 %

AW Torres

Considering that more than a majority of the outstanding number of shares entitled to vote was present, in person or by proxy, the Corporate Secretary certified to the existence of a legal quorum. Whereupon, the Chairman declared the agenda open for deliberation.

DIRECTORS PRESENT

- | | | |
|----------------------------------|---|---|
| 1. Ms. Helen Y. Dee | - | Chairman
Chairman, Executive Committee |
| 2. Mr. Medel T. Nera | - | President & CEO |
| 3. Ms. Yvonne S. Yuchengco | | |
| 4. Mr. Lorenzo V. Tan | | |
| 5. Dr. Reynaldo B. Veal | | |
| 6. Atty. Wilfrido E. Sanchez | - | Chairman, Remuneration Committee |
| 7. Mr. Juan B. Santos | - | Independent Director
Chairman, Corp. Governance & Nomination Committee |
| 8. Mr. Ermilando D. Napa | - | Independent Director
Chairman, Board Risk Oversight Committee |
| 9. Mr. Francisco H. Licuanan III | - | Independent Director |
| 10. Mr. John Mark S. Frondoso | - | Independent Director |

III. APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL STOCKHOLDERS' MEETING.

The Minutes of the last Annual Stockholders' Meeting held on 20 July 2018 were presented to the stockholders for approval. On motion duly made and seconded, the reading of the said Minutes was dispensed with and there being no objection or correction to the same, the Minutes were approved to be correct.

IV. APPROVAL OF THE 2018 MANAGEMENT REPORT AND THE AUDITED FINANCIAL STATEMENTS.

The Company's President and CEO, Mr. Medel T. Nera, reported on the various activities, performance and results of the operations of the Company, including that of its subsidiaries, for the one (1) year period ended 31 December 2018.

Mr. Nera commenced his President's Report with an update on the recent merger between one of the Company's subsidiaries, iPeople, Inc., and a member of the Ayala Group of Companies, AC Education, Inc., with iPeople, Inc. as the surviving entity. He particularly noted that with the said merger, the Company was able to welcome into its fold additional schools. Mr. Nera also highlighted the opening of a Mapua school in Davao City and the ongoing construction of the Mapua Makati Campus.

Medel T. Nera

Mr. Nera also proceeded to particularly report on the Company's businesses and activities in the energy sector (Petroenergy Resources Corporation), property management and services (through its subsidiary Landev Corporation and minority ownership in RCBC Realty Corporation), construction industry (EEI Corporation); car dealership business (Honda Cars Quezon City Group and Isuzu Manila Group), and other investments in pharmaceuticals (HI-Eisai Pharmaceutical, Inc.), afterlife services (Manila Memorial Park Cemetery, Inc. and La Funeraria Paz-Sucat, Inc.), and consumer finance (Zamboanga Industrial Finance Corporation).

Mr. Nera also provided an update on the Company's corporate social responsibility and sustainability activities, particularly, on its community service efforts and scholarship program.

After Mr. Nera concluded his President's Report, the Chairman informed the stockholders that the Company's Board of Directors had earlier approved the declaration of a cash dividend of Php0.065 per common share and Php0.01733 per preferred share, for a total amount of Fifty Million Seven Hundred Fifty Eight Thousand Nine Hundred Sixty Five Pesos and Sixty Seven Centavos (Php50,758,965.67), from the company's unrestricted retained earnings as of 31 December 2018 to the Company's stockholders of record as of 15 August 2019. The payment date is on 10 September 2019.

The Chairman then proceeded to note that the Company's Management Report and the Audited Financial Statements for the year ending 31 December 2018 were sent earlier to the stockholders by mail. She then inquired from the stockholders if there were any questions respecting the same.

* There being no queries or objections, the Company's Management Report and Audited Financial Statements, as certified by Ms. Wenda Lynn M. Loyola of Sycip Gorres Velayo & Co., were approved by the stockholders present, upon motion made and duly seconded.

V. RATIFICATION AND CONFIRMATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, OFFICERS AND VARIOUS COMMITTEES OF THE COMPANY DURING THE YEAR IN REVIEW.

On motion duly made and seconded, the stockholders present ratified and confirmed all the acts, resolutions and proceedings of the Board of Directors, various Committees and Officers of the Company during the year in review.

VI. ELECTION OF DIRECTORS FOR 2019-2020.

The Chairman declared the table open for the election of directors for the ensuing year.

The Corporate Secretary presented and read the name of the following persons nominated, evaluated and found by the Corporate Governance and Nomination Committee to have all the qualifications and none of the disqualifications to serve as members of the Company's Board of Directors for the year 2019-2020:

CUTTING

Regular Directors:

1. Ms. Helen Y. Dee
2. Mr. Lorenzo V. Tan
3. Mr. Medel T. Nera
4. Atty. Wilfrido E. Sanchez
5. Dr. Reynaldo B. Vea
6. Ms. Yvonne S. Yuchengco

Independent Directors:

7. Dr. Roberto F. De Ocampo, OBE
8. Mr. Francisco H. Licuanan III
9. Mr. Juan B. Santos
10. Mr. Ermilando D. Napa
11. Mr. John Mark S. Frondoso

There being no further comment and no other nominees, the Corporate Secretary was requested by the Chairman to cast all votes equally among the above-named nominees. Thereafter, the Chairman declared the above-named nominees as the duly elected members of the Board of Directors of the Company for the ensuing year 2019-2020 and presented them to the stockholders.

VII. APPOINTMENT OF EXTERNAL AUDITOR.

As recommended by the Audit and Related Party Transactions Committee, on motion duly made and seconded, Sycip Gorres Velayo & Co. was re-appointed as the external auditor of the Company for the fiscal year ending 31 December 2019.

VIII. OTHER MATTERS.

The Chairman inquired whether there was any other business or matter to be discussed. At this juncture, a stockholder, Mr. Philip Tan, noted the recent merger between one of the Company's subsidiaries, iPeople, Inc., and a member of the Ayala Group of Companies (the "Ayala Group"), AC Education, Inc., with iPeople, Inc. as the surviving entity. He then proceeded to ask if the Company would be open to any other future collaborative effort with the Ayala Group. The Chairman replied that while there is no ongoing discussion on any other venture, there is always a possibility of exploring mutually beneficial business relations with the Ayala Group.

Referring to the Company's Honda Cars dealership business, Mr. Tan asked if there is a plan to import the Honda Passport model and making it available in the Philippines. The Company's President and CEO, Mr. Medel T. Nera, replied that there is currently no advice from Honda Philippines on the same, but as far as he knows the Honda Passport is a US model, which would render it unlikely to be made available in the Philippine market.

CTT

IX. ADJOURNMENT.

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


SAMUEL V. TORRES
Corporate Secretary

ATTESTED BY:


HELEN Y. DEE
Chairman

EXPLANATION OF AGENDA ITEMS

The following are the rules of conduct and procedures for the meeting:

1. Stockholders may attend and participate in the meeting by remote communication. Stockholders who intend to attend and participate by remote communication shall inform the Company via email at hi_asm2020@hoi.com.ph, on or before August 7, 2020. After verification of the email request, the link to the live webcast of the meeting shall be sent to the indicated email address of the registered stockholder.
2. Stockholders may vote by appointing a proxy. Stockholders voting by proxy shall email the duly accomplished proxies for examination, validation and recording at least ten (10) days before the Annual Stockholders' Meeting, or on or before August 7, 2020 to the Office of the Corporate Secretary at hi_asm2020@hoi.com.ph.
3. Pursuant to Sections 57 and 23 of the Revised Corporation Code, which allow for voting by remote communication or *in absentia* by the stockholders, the Company has set up a registration and voting mechanism. Stockholders may cast their votes electronically at the time provided for in the notice and mechanism, as detailed in the attachments to the Information Statement, Annex A and Annex B. A stockholder who votes by remote communication or *in absentia* shall be deemed present for purposes of quorum.
4. The items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the outstanding voting stock, voting through a proxy or voting electronically in *absentia*.
5. Each of the proposed resolutions or items in the Agenda will be shown on the screen as the same is taken up at the meeting.
6. Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his/her/its votes.
7. The Company's stock transfer agent will tabulate, verify and validate all votes received.
8. The Corporate Secretary shall report the results of voting during the meeting.
9. Stockholders may email to hi_asm2020@hoi.com.ph relevant questions or comments to matters to be taken up, on or before the time of the meeting. Stockholders are advised to send questions early to be assured that these will be taken up in time.
10. A link to the recorded webcast of the meeting will be posted on the Company's website after the meeting.

Call to Order

The Chairperson will formally open the meeting at 2:30 in the afternoon.

Certification of Notice and Quorum (& Rules of Conduct and Procedures)

The Corporate Secretary, will certify that written notice for the meeting was duly sent to the stockholders and that a quorum exists for the transaction of business.

Approval of Minutes of the Annual Stockholders' Meeting held on July 19, 2019

The minutes of the Annual Stockholders' Meeting held on July 19, 2019 is posted on the Company's website, at <https://hoi.com.ph/category/minutes-of-all-general-or-special-stockholder-meeting/>. A copy of the minutes is also attached to the Information Statement. A resolution approving the minutes will be presented to the stockholders for approval.

Approval of the Management Report and Audited Financial Statements for 2019

The President and Chief Executive Officer of the Company, Mr. Lorenzo V. Tan, will deliver a report to the stockholders on the performance of the Company in 2019 and the outlook for 2020. The audited financial statements as of December 31, 2019 will be included in the Information Statement. A resolution noting the report and approving the 2019 audited financial statements will be presented to the stockholders for approval.

Amendment of Article First of the Articles of Incorporation and the By-laws to reflect the change in the corporate name of the Company

The Corporate Secretary will present the proposed changes to Article First of the Articles of Incorporation as follows:

Article No.	FROM	TO
Article First	That the name of said corporation shall be: House of Investments, Inc. doing business also under the name of Honda Cars Quezon City, Honda Cars Manila, Honda Cars Marikina, Honda Cars Fairview, Honda Cars Tandang Sora, Honda Cars Marcos Highway, Isuzu Manila, Isuzu Commonwealth, Isuzu Greenhills, and Isuzu Leyte.	That the name of said corporation shall be: House of Investments, Inc.

A resolution approving the amendment will be presented to the stockholders for approval.

Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company

Article No.	FROM	TO
Article Third	That the PLACE where the principal office of the Corporation is to be established or located is at 3rd Floor, Grepalife Building, 219 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila, Philippines.	That the PLACE where the principal office of the Corporation is to be established or located is at 9th Floor, Grepalife Building, 221 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila, Philippines.

A resolution approving the amendment will be presented to the stockholders for approval.

Approval of the ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Other Committees and the Officers of the Company during the year 2019

The acts and resolutions of the Board of Directors, all Committees and Management of the Company for ratification were those adopted from July 19, 2019 until August 17, 2020. They include: a) opening/closing of bank accounts and delegation of bank signatories; b) approval of loans; c) redemption of preferred shares; d) declaration of cash dividends; e) appointment/promotion of officers; f) approval of the Related Party Transactions Policy; and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of Management were those taken to implement the resolutions of the Board of Directors or its

Committees and those taken in the general conduct of business. A resolution on this agenda item will be presented to the stockholders for approval.

Election of Directors for 2020-2021

Any stockholder may submit to the Corporate Governance, Nomination and Related Party Transactions Committee nominations to the Board of Directors no later than May 7, 2020. The Corporate Governance, Nomination and Related Party Transactions Committee will determine whether the nominees for Directors, including the nominees for Independent Directors, have all the qualifications and none of the disqualifications to serve as members of the Board of Directors before submitting the nominees for election by the stockholders. The profiles of the nominees to the Board will be included in the Information Statement.

Appointment of External Auditors

The Audit Committee shall endorse to the stockholders the appointment of an external auditor for the ensuing year. The profile of the external auditor will be included in the Information Statement.

A resolution for the appointment of the external auditor will be presented to the stockholders for approval.

Such other business that may properly come before the meeting

The Chairperson will open the floor for comments and questions from the stockholders. Stockholders may raise matters or issues that may be properly taken up at the meeting.

PART 1
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1: Date, Time and Place of Meeting of Security Holders:

Date of meeting : **August 17, 2020**
Time of meeting : **2:30 pm**
Place of meeting : **Virtually with the proceedings livestreamed and voting conducted by proxy or *in absentia***
Approximate mailing date of this statement : **July 27, 2020**
Registrant's mailing address : **9/F, Grepalife Building
221 Sen. Gil J. Puyat Avenue
Makati City, Metro Manila, Philippines**

Voting by proxy or through remote communication or *in absentia* shall be adopted. In all items for approval, each voting share entitles its registered owner as of Record Date to one (1) vote.

In the case of the election of Directors, each shareholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

All votes submitted through proxy or voting by remote communication or *in absentia*, within the period indicated in the Notice will be counted and tabulated by the Office of the Corporate Secretary and the results will be validated by the RCBC Stock Transfer Office..

Item 2: Dissenters' Right of Appraisal

Pursuant to Title X, Section 80 of the Revised Corporation Code of the Philippines (the "Revised Corporation Code"), a stockholder shall have the right to dissent and demand payment of the fair value of his/her shares in the following instances:

- a. In case an amendment to the Corporation's articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- c. In case of merger or consolidation; and
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

A stockholder who shall have voted against a proposed corporate action may seek payment of the value of his/her shares by submitting to the Corporation a written demand for such payment within thirty (30) days after the vote was taken. Failure to make such demand within the said period shall be deemed as a waiver of the stockholder's appraisal right. The failure of a dissenting stockholder to submit his/her certificates of stock with the Corporation (for notation that such are dissenting shares) within ten (10) days after the required written demand has been made shall also be deemed as a waiver of the dissenting stockholder's appraisal right.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the dissenting stockholder and the Corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two (2) thus chosen. The findings of the majority of the

appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after the same is made.

Upon payment of the value of his/her shares, the dissenting stockholder shall forthwith transfer his shares to the Corporation. However, no payment shall be made to any dissenting stockholder unless the Corporation has retained earnings in its books to cover such payment.

A dissenting stockholder's demand for payment may not be withdrawn unless the Corporation consents thereto. If, however, such demand is withdrawn with the Corporation's consent, or if the proposed corporate action is abandoned, rescinded or disapproved, or if it is determined that the stockholder is not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of his/her shares shall cease, the status of the stockholder shall be restored, and all dividends which would have accrued on the shares shall be paid to the stockholder.

There are no corporate matters in the Agenda for the annual meeting that will entitle dissenting stockholders to exercise their right of appraisal as provided in the Title X of the Revised Corporation Code.

Item 3: Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- a) No current director or officer of the Company, or nominee, for election as directors of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than the election to office.
- b) No director has informed the Company in writing that he intends to oppose any action to be taken by the registrant at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4: Voting Securities and Principal Holders Thereof

(a) Class of Voting shares as of June 30, 2020:

Common Stocks	776,465,281 shares
---------------	--------------------

Each common share of the Company's capital stock is entitled to one (1) vote at the Annual Stockholders' Meeting.

(b) Record Date: July 17, 2020

Only stockholders of record at the close of business on **July 17, 2020** are entitled to vote at the meeting either in person or by proxy.

(c) Election of Directors and Cumulative Voting Rights

In all items for approval except election of directors, each share of stock entitles its registered owner to one (1) vote.

In case of election of Directors, each stockholder may vote the number of shares of stock standing in his own name as of the record date of the meeting for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

Security Ownership of Certain Beneficial Owners and Management

1. Owners of more than 5% of voting securities as of June 30, 2020.

SHARE CLASS	NAME AND ADDRESS OF RECORD OWNER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES BENEFICIALLY OWNED	% OF TOTAL
Common	PAN MALAYAN MANAGEMENT & INVESTMENT CORPORATION 48/F, Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City <i>Principal Stockholder</i>	Ms. Helen Y. Dee <i>Chairperson</i> is authorized to direct voting of the shares held by Pan Malayan Management & Investment Corporation	Filipino	397,166,274	51.15%
Common	ESTATE OF ALFONSO T. YUCHENGCO 48/F, Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City <i>Principal Stockholder</i>	Ms. Helen Y. Dee <i>In her capacity as Administrator</i> is authorized to direct voting of the shares held by Pan Malayan Management & Investment Corporation	Filipino	90,123,082	11.61%
Common	RCBC SECURITIES, INC. 7/F Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City	Mr. Raul M. Leopando <i>Nominee</i> Mr. Raul Ruiz <i>VP - Research</i> are authorized to direct voting of the shares held by RCBC Securities	Filipino	95,561,305	12.31%
Common	BPI SECURITIES CORPORATION 8/F BPI Head Office Bldg., Ayala Ave., cor. Paseo de Roxas Makati City	Mr. John Kennard T. Fajardo <i>Nominee-Applicant</i> is authorized to direct voting of the shares held by BPI Securities Corporation	Filipino	44,112,862	5.68%

Among the above shareholders owning more than 5% of the Company's capital stock, only Pan Malayan Management and Investment Corporation purchased shares of the Company in the past two years using internally generated funds. The details of which are as follows:

Date	# of shares purchased	Price
November 29, 2019	7,029,980	5.400
December 6, 2019	4,649,990	5.410
January 15, 2019	4,000,000	5.400

2. Security Ownership of Management

Securities beneficially owned by the directors, nominees, officers, other than qualifying shares, as of May 31, 2020 according to the records of its stock and transfer agent, Rizal Commercial Banking Corp. (RCBC):

NAME OF BENEFICIAL OWNER	CITIZENSHIP	NATURE OF OWNERSHIP	SHARES OWNED	% OF CLASS
Ms. Helen Y. Dee	Filipino	Direct	1,125,345	0.1827%
		Indirect	770,780	0.1251%
Mr. Gil A. Buenaventura	Filipino	Direct	5	0.0000%
Mr. John Mark S. Frondoso	Filipino	Direct	5	0.0000%
Mr. Francisco H. Licuanan III	Filipino	Direct	500	0.0001%
Mr. Emilando Napa	Filipino	Direct	5	0.0000%
Mr. Medel T. Nera	Filipino	Direct	5	0.0000%
Dr. Roberto F. de Ocampo	Filipino	Direct	5	0.0000%
Atty. Wilfrido E. Sanchez	Filipino	Direct	5	0.0000%
Mr. Juan B. Santos	Filipino	Direct	5	0.0000%

NAME OF BENEFICIAL OWNER	CITIZENSHIP	NATURE OF OWNERSHIP	SHARES OWNED	% OF CLASS
Mr. Lorenzo V. Tan	Filipino	Direct	5	0.0000%
Ms. Yvonne S Yuchengco	Filipino	Direct Indirect	45 90,210	0.0000% 0.0146%
Sub-Total			1,986,920	0.3226%
Total Common Shares			776,765,281	100%

None of the officers have direct or indirect shares other than those mentioned above.

Changes in Control

There had been no change in control in the Company that had occurred since the beginning of last year.

Voting Trust Holders of 5% And More

There are no shareholdings holding any Voting Trust Agreement or any such similar agreement.

Ownership of Foreigners Per Class

As of June 30, 2020, there are 34,003,391 shares or 4.38% of the common stock that are held by foreigners.

Item 5: Directors and Executive Officers

The Company's Board of Directors ("BOD") has eleven (11) members elected by and from among the stockholders. The Board is accountable for providing overall management and direction of the firm. Board meetings are held on a regular basis or as often as required to discuss HI's operations, business strategy, policies, and other corporate matters. A brief background on each member of the board is provided in the succeeding pages.

The following are the names, ages, positions, and period of service of all incumbent directors, executive officers, and all persons nominated or chosen to become such:

DIRECTORS		
Name	Position	Length of Service
Ms. Helen Y. Dee	Chairperson	17 Years
Mr. Lorenzo V. Tan	Director President & CEO	3 Years as Director 11 Months as President & CEO
Atty. Wilfrido E. Sanchez	Director	19 Years
Ms. Yvonne S Yuchengco	Director	18 Years
Mr. Medel T. Nera	Director	8 Years
Mr. Gil A. Buenaventura	Director	9 Months
Mr. Lorenzo Andres T. Roxas	Nominee	-

INDEPENDENT DIRECTORS		
Name	Position	Length of Service
Dr. Roberto F. de Ocampo	Director	19 Years
Mr. Francisco H. Licuanan III	Director	12 Years
Mr. Juan B. Santos	Director	5 Years
Mr. Ermilando D. Napa*	Director	4 Years
Mr. John Mark Frondoso	Director	3 Years

* Mr. Napa will no longer stand for re-election.

EXECUTIVE OFFICERS			
Name	Position	Age	Citizenship
Ms. Helen Y. Dee	Chairperson	76	Filipino
Mr. Lorenzo V. Tan	President & CEO	58	Filipino
Ms. Gema O. Cheng	EVP – COO, CFO & Treasurer	55	Filipino
Mr. Alexander Anthony G. Galang	SVP – Internal Audit	59	Filipino
Mr. Joselito D. Estrella	SVP – Chief Information Officer	55	Filipino
Ms. Ma. Esperanza F. Joven	VP – Finance	49	Filipino
Ms. Ma. Elisa E. Delara	VP – Internal Audit	51	Filipino

EXECUTIVE OFFICERS			
Name	Position	Age	Citizenship
Ms. Maria Teresa T. Bautista	VP – Corporate Controller	47	Filipino
Mr. Edgardo Augusto R. Grau Jr.	VP – Chief Risk Officer	53	Filipino
Atty. Lalaine P. Monserate	AVP – Legal & Compliance Officer	56	Filipino
Atty. Samuel V. Torres	Corporate Secretary	55	Filipino
Atty. Ma. Elvira Bernadette G. Gonzalez	Asst. Corporate Secretary	43	Filipino

There are executives seconded to the subsidiaries.

None of the above-mentioned Directors, Independent Directors, and Executive Officers of the Company is appointed to or is an employee of any Government Agency in compliance with Article 9(B) Section 8 of the Philippine Constitution. (Please see Annex 6)

POSITION AND BACKGROUND WITHIN THE LAST 5 YEARS

HELEN Y. DEE, 76 years old, Filipino, has been **Chairperson of the Board** since 2001 to present. She was also President and CEO of the company from 2001-2011. She is the **Chairperson** of EEI Corporation, PetroEnergy Resources Corporation, Rizal Commercial Banking Corporation, all of which are PSE-listed companies. She is the Chairperson, Vice Chairperson or a director of several companies engaged in banking, insurance, and real property businesses. **Educational Background:** Ms. Dee received her Master’s Degree in Business Administration from De La Salle University.

LORENZO V. TAN, 58, Filipino, is a **Director** and the **President & CEO** of the Company. He is also the **Vice Chairman** of Pan Malayan Management Inc. and TOYM Foundation; **Chairman and President** of Honda Cars Kalookan Inc.; **Director and President** of RCBC Realty Corporation; **Director** at EEI Corp., iPeople, inc., Malayan Insurance Company, Inc., Smart Communications, Inc., Digitel Telecommunications, Sun Life Grepa Financial, Inc., Manila Memorial Park Cemetery, Inc., and Hi-Eisai Pharmaceutical Inc.; **Board of Trustees** at De La Salle Zobel. **His past experiences include: Managing Director** of Primeiro Partners, Inc. **President, Chief Executive Officer and Director** of Rizal Commercial Banking Corporation; **Chairman** of Asian Bankers Association; **President** of Bankers Association of the Philippines (BAP). As BAP president, he led the Association in representing the BAP in the ASEAN Bankers Association (ABA), composed of the national banking associations from the 10-member countries in the Association of Southeast Asian Nations (ASEAN). **Educational Background:** Certified Public Accountant in Pennsylvania, USA and in the Philippines. Mr. Tan graduated from De La Salle University with a Bachelor of Science degree in Accounting and Commerce, and holds a Master in Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University.

ATTY. WILFRIDO E. SANCHEZ, 83, Filipino, is a **Director** from 2000 to present. He is also a **Director** in Antonelli Realty, Asiabest Group International Inc. (“ABG”), Asia Brewery, Inc., EEI Corporation, EMCOR, Inc., Gokongwei Brothers Foundation, J-DEL Investments and Management Corporation, Joint Research and Development Corporation, JVR Foundation, Inc., K-Servico, Inc., Kawasaki Motor Corporation, Magellan Capital Holdings, Corporation, Transnational Financial Services, Inc., Trimotors Technology Corp. and Universal Robina Corporation; **Independent Director** of Eton Properties Philippines, Inc., LT Group, Inc. and Tanduary Distillers, Inc. **Tax Counsel** of Quason Makalintal Barot Torres Ibarra Sison and Damaso Law Firm; and **Trustees** of Asian Institute of Management (AIM) and NYK TDG Friendship Foundation. **His Past experiences include: Managing Director & Head, Tax Division** of Sycip Gores Velayo & Co.; **Vice Chairman** of Center for Leadership and Change, Inc.; **Vice President** of JVR Foundation, Inc.; **Director** of NYK-TDG Maritime Academy, Wodel, Inc., Grepalife Asset Management Corporation, Grepalife Fixed Income Fund Corporation, Omico Corporation, APEX (Phils.) Equities Corporation, Grepalife Bond Fund Corporation, PET Plans, Inc., and Rizal Commercial Banking Corp. **Educational Background:** Masters of Law from Yale Law School, USA; Bachelor of Laws and Bachelor of Arts from Ateneo de Manila University, Philippines.

YVONNE S. YUCHENGO, 66, Filipino, is a **Director** from 1999-2006, 2008 to present. She is also the **Chairperson** of First Nationwide Assurance Corp., RCBC Capital Corp. and XYZ Assets Corp.; **Chairperson and President** of Royal Commons, Inc., Y Tower II Office Condominium Corp. and

Yuchengco Tower Office Condominium Corp.; **Chairperson and Trustee** of The Malayan Plaza Condominium Owners Association Inc.; **Director, Chairman and President** of Philippine Integrated Advertising Agency, Inc.; **Director and Chairman** of Y Realty Corp., and Yuchengco Museum, Inc.; **Director and Chairman** of Alto Pacific Corp., MICO Equities, Inc., and RCBC Land, Inc.; **Director and Vice Chairperson** of Malayan Insurance Co., Inc.; **Director** of Annabelle Y. Holdings and Management Corp., Asia-Pac Reinsurance Co., Ltd., A.T. Yuchengco, Inc., DS Realty, Inc., Enrique T. Yuchengco, Inc., First Nationwide Assurance Corp., GPL Holdings, Inc., HYDee Management & Resource Corp., iPeople, inc., La Funenaria Paz Sucat, Inc., Luisita Industrial Park Corp., Malayan Colleges, Inc., Malayan High School of Science, Inc., Malayan Insurance Co. (H.K.) Ltd., Malayan International Insurance Corp., Manila Memorial Park Cemetery, Inc., National Reinsurance Corp. of the Phils., Pan Malayan Express, Inc., Pan Malayan Realty Corp., RCBC Capital Corp., Seafont Resources Corp., Shayamala Corp., YGC Corporate Services, Inc., and Yuchengco Center, Inc.; **Director and Vice President** of A.Y. Holdings, Inc. **Director, Vice President and Treasurer** of Pan Managers, Inc.; **Director and Corporate Secretary** of MPC Investment Corp., **Director and Treasurer** of Honda Cars Kalookan, Inc., Malayan High School of Science, Inc., Mona Lisa Development Corp., Petro Energy Resources Corp. and Water Dragon, Inc.; **Director, Treasurer and CFO** of Pan Malayan Management & Investment Corp.; **Trustee** of AY Foundation, Inc., Mapua Institute of Technology and Phil-Asia Assistance Foundation, Inc.; **Advisory Member** of Rizal Commercial Banking Corp. **Educational Background:** Bachelor of Arts in Interdisciplinary Studies from Ateneo De Manila University, Philippines.

MEDEL T. NERA, 64, Filipino, is a **Director** from 2011 to present. He is also a **Director** of iPeople inc., EEI Corp., Seafont Resources Corp., National Reinsurance Corporation and Generika Group. His past experiences include: **President & CEO** of House of Investments, Inc.; President of Honda Cars Kalookan, Inc., **Director and President** of RCBC Realty Corp.; **Chairman of the Board** of Greyhounds Security & Investigation Agency Corp., Zamboanga Industrial Finance Corporation, EEI Realty Corp., Hi-Eisai Pharmaceuticals Inc., Investments Manager Inc., Landev Corp., Malayan Colleges Laguna, Inc., Manila Memorial Park Cemetery Inc., YGC Corporate Services, **Director and Chairman of Risk Committee** of Rizal Commercial Banking Corp.; **Director and Treasurer** of CRIBS Foundation, Inc., and **Senior Partner** at Sycip Gorres Velayo & Co. **Educational Background:** Master in Business Administration from Stern School of Business, New York University, USA and Bachelor of Science in Commerce from Far Eastern University, Philippines, International Management Program from Manchester Business School, UK, Pacific Rim Program from University of Washington, USA.

GIL A. BUENAVENTURA, 67, Filipino is a **Director** from 2019 to present. He is also a **Director** in Malayan Insurance Co., Manila Memorial Park Cemetery, Inc. and Rizal Commercial Banking Corporation. **His past experiences include: President, Chief Executive Officer and Executive Director** of Rizal Commercial Banking Corporation. As RCBC President, CEO and Executive Director, he led the re-launch and re-branding of the bank to stay relevant amidst the changing banking landscape; **President and Chief Executive Officer** of Development Bank of the Philippines; **Member** of Makati Business Club, Management Association of the Philippines and Investment Committee, De La Salle Philippine School System; **Board Member** of Banker Association of the Philippines, BANCNET and Philippine Payments Management Inc. **Educational Background:** Mr. Buenaventura holds a Master of Business Administration in Finance from University of Wisconsin, Madison, Wisconsin.

ROBERTO F. DE OCAMPO, 74, Filipino, former Secretary of Finance, is an **Independent Director** from 2000 to present. He is also the **Chairman** of the British Alumni Association, Philippine Veterans Bank, Philam Asset Management, STRADCOM, and Foundation for Economic Freedom; **Chairman and Board member** of Alaska Milk Corp., Centennial Asia Advisors Pte. Ltd. (Singapore), Centennial Group (Washington, D.C.), EEI Corp., Investment & Capital Corp. of the Philippines (ICCP) Group of Companies, Philam Asset Management Inc., Phinma Corp., Robinson's Land Corp., **Chairman of the Board of Advisers** of the RFO Center for Public Finance & Regional Economic Cooperation, which is an ADB Regional Knowledge Hub; **Co-Vice Chairman** of the Makati Business Club; **Founding Partner** of a Global Advisory Group (Centennial Group), Washington, D.C.; **Founding Director** of Global Economic Forum: The Emerging Markets Forum; **Emeritus Member** of the Financial Executives of the Philippines (FINEX). **Board of Advisers** of the Conference Board, New York. **His past experiences: Chairman and CEO** of Development Bank of the Philippines; **Chairman**, Land Bank of the Philippines, former member of Board of Governors of

World Bank, Asian Development Bank (ADB), and International Monetary Fund. **President** of Asian Institute of Management, **President**, Management Association of the Philippines (MAP); **Member** of the AIM Board of Trustees. **Educational Background:** Doctorate of Humane Letters (Honoris Causa) from San Beda College, Doctorate in Philosophy in Business Administration (Honoris Causa) from De La Salle University, Doctorate in Laws (Honoris Causa) from Philippine Women's University, Doctorate in Public Administration (Honoris Causa) from University of Angeles City, Fellow in Development Administration (DDA) from London School of Economics, UK; Master in Business Administration from University of Michigan, USA; and Bachelor of Arts Major in Economics from Ateneo De Manila University, Philippines.

FRANCISCO H. LICUANAN III, 76, Filipino, is an **Independent Director** since 2006 to present. He is also **Chairman & CEO** of Battery Park Investment, Inc., Geo EState Development Corporation and New Pacific Resources Management Inc.; **President & CEO** of Innovative Property Solutions, Inc.; **President** of Stonebridge Corporation **Educational Background:** Master of Business Administration from Harvard Business School, USA; Bachelor of Arts in Economics (cum laude) from Ateneo De Manila University, Philippines.

JUAN B. SANTOS, 81, Filipino, was elected as an **Independent Director** in 2014. He is also a **Director** of Allamanda Management Corporation, Alaska Milk Corporation, Philippine Investment Management, Inc., Philippine Investment Management Corp., Rizal Commercial Banking Corporation, Sunlife Grepa Financial, Inc.; **Chairman, Board of Trustee** of Dualtech Training Center Foundation, Inc.; **Trustee** of St. Luke's Medical Center; **Member of the Board of Advisors** of East-West Seeds Co., Mitsubishi Motor Phil. Corporation; **Consultant** of Marsman-Drysdale Group of Companies. **His past experiences include: Chairman** of Social Security System; **Secretary** of Trade and Industry, Philippines; **Chairman and CEO** of Nestle Philippines, Singapore and Thailand; **Director** of Philex Mining Corporation, Philippine Long Distance Telephone Company (PLDT), San Miguel Corporation; **Educational Background:** Advanced Management from International Institute of Management Development (IMD), Lausanne, Switzerland; Post-graduate studies on Foreign Trade from Thunderbird School of Global Management, Arizona, USA; and Bachelor of Science in Business Administration from Ateneo De Manila University, Philippines.

ERMILANDO D. NAPA, 70, Filipino, was elected as an **Independent Director** in 2016. He is also the **Founding CEO** of Manila Consulting & Management Co., Inc., and Catanauan Resources and Development Corp.; **Independent Director** at National Reinsurance Corporation of the Philippines (Nat Re); **Chairman** of the Audit Committee of Nat Re, Chairman of the Interim Governance Board of the National Life Insurance Company of the Philippines (NLIC), Chairman of the Court Appointed Board of Liquidators of Capitol Hills Golf and Country Club Inc. **His previous professional experience include** being a **President and CEO**, and **Vice Chairman** of the Board of Trade and Investment Development Corporation aka Philippine Export – Import Credit Agency, **Partner** of SyCip Gorres & Velayo Company (Philippines), a **Principal** of Kassim Chan & Company in Kuala Lumpur, Malaysia (a former member firm of SGV Group and Delloite Haskins & Sells International), and a **Manager** of Arthur Andersen in New York. In 2013, he was appointed as **Conservator** of the National Life Insurance Company (NLIC) and spearheaded its rehabilitation. **Educational background:** Attended special trainings and various courses such as Strategic Management and IMPACT Productivity Improvement in Chicago and Corporate Finance in New York and various corporate governance courses. He holds a bachelor's degree in Business Management from Aquinas University (1970) and a master's degree in Management from the Asian Institute of Management (1980).

JOHN MARK S. FRONDOSO, 46, Filipino, was elected as an **Independent Director** in December 2016. He is the **President** of FSG Technology Ventures, Inc. (Digipay); **President** of Star Two Holdings, Inc.; **Trustee and Chairman of the Investment Committee** of the Philippine Public School Teachers Association; **Director** of HC Consumer Finance Philippines, Inc. (Home Credit); **Chairman & President** of FSG Capital, Inc. **His Past experiences include: Philippine Chief Representative & Executive Director** of Morgan Stanley(Singapore) Holdings Pte Ltd.; **Associate Director** of Barclays Capital (Investment Banking Division of Barclays Bank PLC). **Educational Background:** Bachelor of Science in Industrial Management (University Honors) from Carnegie Mellon University, USA.

LORENZO ANDRES T. ROXAS, 56, Filipino, is a nominee for Director. He is the **Managing Director & Nominee** at Philippine Equity Partners, Inc.; **Director** of RCBC Capital Corporation, RCBC Bankard Services Corporation, ATRAM Investment Management Partners Corporation, and ATR Holdings, Inc.; **Advisory Board Member** of PhilExcel Corporation; **Board of Governors and Treasurer**, Philippine Association of Securities Brokers and Dealers, Inc., and **Chairman and President**, LTR Holdings, Inc. *His past experiences include:* **Director** of Asian Life & General Assurance Corporation, Tullett Prebon (Philippines), Inc. and Maybank ATR Kim Eng Capital Partners, Inc.; **Board of Governors** of the Philippine Association of Securities Brokers and Dealers, Inc.; and **Chairman of the Board, President, and Director** of Maybank ATR Kim Eng Securities, Inc. *Educational Background:* Masters in Business Administration, Northwestern University's Kellogg School of Management and The Hong Kong University of Science and Technology and Bachelor of Arts Degree in Interdisciplinary Study, Ateneo de Manila University.

EXECUTIVE OFFICERS:

GEMA O. CHENG, 55, Filipino, is the **Executive Vice President – Chief Operating Officer, Chief Finance Officer and Treasurer**. She also holds the following positions within the group: **Executive Vice President – Chief Financial Officer** of iPeople, inc.; **Chairman and President** of Investment Managers, Inc.; **Director, Vice President for Finance and Treasurer** of Landev Corporation; and serves as **Director** of the following: Malayan Colleges Laguna, Inc., A Mapua School, Malayan Colleges Mindanao, A Mapua School, La Funeraria Paz-Sucat, Inc. and Manila Memorial Park Cemetery, Inc. She was previously a **Senior Vice President** of SM Investments Corp. seconded as **Treasury Head** of SM Prime and its various business segments (Malls, Hotels & Conventions, Residences, Leisure and Commercial Properties Group) with concurrent role as CFO of the Commercial Properties Group; . *Educational Background:* Bachelor of Arts in Economics (Magna Cum Laude) from the University of the Philippines-Diliman, Philippines; Certificate of Special Studies in Administration and Management from Harvard University, USA.

ALEXANDER ANTHONY G. GALANG, 59, Filipino, is the **Senior Vice President for Internal Audit** since 2009. He was **Vice President** of the company from 2004 to 2009. He is a Certified Public Accountant (CPA) having placed 12th in the 1981 licensure exams. He has a Global Certification as a Certified Fraud Examiner (CFE) and a Certification in Risk Management Assurance (CRMA). *Educational Background:* Bachelor of Science in Business Administration Major in Accounting (Cum Laude) from University of Sto. Tomas, Philippines.

JOSELITO D. ESTRELLA, 55, Filipino, is the **Senior Vice President - Chief Information Officer**. *His past experiences include:* **Senior Vice President – Chief Information Officer** of iPeople inc., **President** of Pan Pacific Computer Center Inc., **Vice President for Sales & Marketing** of AGD Infotech Inc. *Educational Background:* Bachelor of Science in Commerce Major in Management from San Beda College; Master of Science in Information Technology from De La Salle University.

MA. ESPERANZA F. JOVEN, 49, Filipino, is the **Vice President for Finance**. She is also the **Vice President for Finance & Treasurer** in HI-Eisai Pharmaceuticals, Inc.; and a **Director** in Manila Memorial Park Cemetery, Inc., La Funeraria Paz-Sucat, Inc., and San Lorenzo Ruiz Investment Holdings & Services, Inc. *Her past experiences include:* **Vice President for Finance** of iPeople, inc.; **Director** of Zamboanga Industrial Finance Corporation; **MSCF Program Coordinator** and **Assistant Professional Lecturer** at De La Salle University. She also held the Series 7, 63, and 24 licenses with the Financial Industry Regulatory Authority (FINRA), The Nasdaq Stock Market, and in the 52 states and territories of the USA. *Educational Background:* Master of Science in Computational Finance and Bachelor of Science in Applied Mathematics from De La Salle University-Manila.

MARIA ELISA E. DE LARA, 51, Filipino, is the **Vice President for Internal Audit** since 2013. She joined the company in October 2010 and was appointed as **Assistant Vice President** for Group Internal Audit effective January 2011. She is a Certified Public Accountant and holds a Global Certification in Risk Management Assurance (CRMA). *Educational Background:* Bachelor of Science in Business Administration Major in Accounting (Magna Cum Laude) from the Philippine Women's University.

MARIA TERESA T. BAUTISTA, 47, Filipino, is the **Vice President - Controller** since July, 2017. She is also the **Controller** of Landev Corporation; **Chief Financial Officer** of Greyhounds Security

and Investigation Agency Corp., Investment Managers Inc., People eServe Corp., Xamdu Motors, Inc., Zamboanga Carriers, Inc. and Zambowood Realty and Development Corp.; **CFO and Treasurer** of Hexagon Lounge, Inc.; **Treasurer** of Secon Professional Security. She is a Certified Public Accountant, holds a Global Certification for Internal Auditors (CIA) and has completed the Six Sigma Green Belt Program. **Educational Background:** Bachelor of Science in Commerce, major in Accounting, from St. Paul College, Philippines.

EDGARDO AUGUSTO R. GRAU, JR., 53, Filipino, is the **Vice President – Chief Risk Officer**. He was appointed to the position in July 9, 2019. **His previous affiliations include:** Examiner, Financial Analyst and Policy Developer at the Office of The Comptroller of the Currency (an agency under the US Department of Treasury). In this capacity, he provided supervisory monitoring of local and regional financial institutions, both healthy and distressed. He has expertise in mortgage banking, real estate lending, asset securitization, risk management, consumer compliance, and holding company oversight. He has consulting experience with startups as well as small-to-medium sized enterprises. **Educational Background:** Bachelor of Business Administration (Magna Cum Laude) from Seton Hall University, USA

LALAIN P. MONSERATE, 56, Filipino, joined the Company in November, 2016 as **Assistant Vice President – Legal and Compliance Officer**. She was appointed **Data Privacy Officer** for the Company on June 2017 up to the present. She is also the Corporate Secretary of Greyhounds Security and Investigation Agency Corporation from August 2018 to present. **Her past experiences include:** **Assistant Director** of the Investigation and Prosecution Division, Enforcement and Investor Protection Department of the Securities and Exchange Commission (SEC). She spent 12 years at the SEC, rising from the ranks, i.e. from Securities Investigator, Securities Counsel, Chief Counsel, Division Head and Assistant Director. **Educational Background:** Bachelor of Laws and Bachelor of Arts in Political Science from the University of Nueva Caceres in Naga City. She passed the Bar Examinations in 1999.

SAMUEL V. TORRES, 55, Filipino, is the **Corporate Secretary**. His other present positions include: **General Counsel & Corporate Secretary** of Pan Malayan Management & Investment Corporation and **Corporate Secretary** of A. T. Yuchengco, Inc., A Y Foundation, Inc., A Y Holdings, Inc., Bankers Assurance Corp., Bluehounds Security and Investigation Agency, Inc., Luisita Industrial Park Corp., RCBC Bankard Services, Inc., Enrique T. Yuchengco, Inc. Investment Managers, Inc., Sun Life Grepa Financial, Inc., Grepaland, Inc., Grepa Realty Holdings Corporation, PetroEnergy Resources Corp., Seafront Resources Corp., GPL Cebu Tower Office Condominium Corp., Hexagon Integrated Financial & Insurance Agency, Inc., Hexagon Lounge, Inc., iPeople, inc., RCBC Land, Inc., RCBC Forex Brokers Corp., RCBC Realty Corp., RCBC Securities, Inc., RCBC Capital Corporation, Malayan High School of Science, Inc., Malayan Education System, Inc., Malayan Colleges Mindanao (A Mapua School), Inc., Malayan Colleges Foundation, Inc., Malayan Information Technology Center, Inc., Malayan Colleges Laguna, Inc Led by A Mapua School, Affordable Private Education, Inc. doing business under the name of APEC SCHOOLS, AC College of Enterprise and Technology, Inc., Linc Institute, Inc., GPL Holdings, Pan Pacific Computer Center, Inc., Honda Cars Kalookan, Inc., Hi-Eisai Pharmaceutical, Inc., People eServe Corp., La Funeraria Paz Sucat, Inc., Landev Corp., Pan Malayan Express, Inc., Pan Malayan Realty Corp., Philippine Advertising Agency, Inc., First Nationwide Assurance Corp., Malayan Insurance Co., Inc., MICO Equities, Inc., and Tokio Marine Malayan Insurance Corp. **Educational Background:** Bachelor of Laws, Ateneo De Manila University School of Law; Bachelor of Science in Business Economics, University of the Philippines.

MA. ELVIRA BERNADETTE G. GONZALEZ, 43, Filipino, is the **Assistant Corporate Secretary**. She is also the **Assistant General Counsel** of Pan Malayan Management & Investment Corporation and **Corporate Secretary** of Blackhounds Security and Investigation Agency, Inc. and the **Assistant Corporate Secretary** of iPeople, inc., Malayan Colleges Mindanao (A Mapua School), Inc., Affordable Private Education, Inc. doing business under the name of APEC SCHOOLS, AC College of Enterprise and Technology, Inc., Linc Institute, Inc., Yuchengco Tower Office Condominium Corp., Y Tower II Office Condominium Corp., and GPL Holdings, Inc. **Educational Background:** Juris Doctor, Ateneo De Manila University School of Law; Bachelor of Arts in Political Science, Ateneo De Manila University.

Nominations for Independent Directors and Procedures for Nomination

Following rules and procedures shall apply to the nomination and election of Independent Directors.

- a) The Board shall have at least three (3) independent directors or such number as to constitute one-third (1/3) of the Board, whichever is higher. An independent director is one who is independent of management and free from business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director, and must possess all of the qualifications, and none of the disqualifications as prescribed by the Bangko Sentral Ng Pilipinas, Securities and Exchange Commission and other regulatory authorities, from time to time.
- b) The Corporate Governance, Nomination, and Related Party Transactions Committee composed of three (3) members shall promulgate the guidelines or criteria to govern the conduct of the nominations:
- c) Nomination of independent director shall be conducted by the Corporate Governance, Nomination and Related Party Transactions Committee prior to the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
- d) The Corporate Governance, Nomination, and Related Party Transactions Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors;
- e) After the nomination, the Corporate Governance, Nomination, and Related Party Transactions Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required by existing and applicable rules, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee;
- f) Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.
- g) Election of Independent Directors
 - Subject to pertinent existing rules and regulation of SEC, the conduct of the election of independent directors shall be made in accordance with the standard election procedures of the By-laws.
 - It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting.
 - Specific slots for independent directors shall not be filled up by unqualified nominees.

In case of failure of elections for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

The following were nominated to the position of directors of the Company for the year 2020-2021:

Regular Directors

- 1) Ms. Helen Y. Dee
- 2) Mr. Lorenzo V. Tan
- 3) Atty. Wilfrido E. Sanchez
- 4) Ms. Yvonne S. Yuchengco
- 5) Mr. Medel T. Nera
- 6) Mr. Gil A. Buenaventura
- 7) Mr. Lorenzo Andres T. Roxas

Independent Directors

- 1) Dr. Roberto F. de Ocampo
- 2) Mr. Francisco H. Licuanan III
- 3) Mr. Juan B. Santos

4) Mr. John Mark S. Frondoso

Except for Mr. Lorenzo Andres T. Roxas, the above-mentioned nominees are all incumbent members of the Board of Directors.

The nominees for independent directors are neither officers nor employees, consultants or retainers, legal or otherwise, of the Company or any of its affiliates, and do not have any relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Corporate Governance, Nominations, and Related Party Transactions Committee passed upon their qualifications and found no disqualifications, as provided for in the by-laws and in accordance with SRC Rule 38.

The Company adopted the SEC mandatory Term Limits for Independent Directors of a maximum cumulative term limit of nine (9) years from the reckoning year of 2012, then permanently barred from serving as Independent Director of the Company. The nominees for independent directors are within the Term Limits of the SEC Memorandum Circular No. 4, Series of 2017, which took effect on March 9, 2017.

Ms. Luisa Banawa, a stockholder of the Company, who is not in any way related to the nominees, nominated Messrs. Roberto F. de Ocampo, Francisco H. Licuanan III, Juan B. Santos, and John Mark S. Frondoso as independent directors.

The Corporate Governance, Nominations, and Related Party Transactions Committee reviews and evaluates the qualifications of all persons nominated as director as well as those to be nominated to other positions requiring appointment by the Board of Directors. With respect to the independent directors, their nomination and qualification by the Corporate Governance, Nominations, and Related Party Transactions Committee were in compliance with the Company's By-Laws, Manual of Corporate Governance, and SRC Rule 38. The directors so nominated possess all the qualifications and none of the disqualifications for independent directors. (Attached as Annexes 1 to 5 are the Certifications of Independent Directors)

Period in Which the Directors and Executive Officers Should Serve

The Directors of the Company are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified. In compliance with SEC Memorandum No. 4 dated March 9, 2017, all Independent Directors shall serve a maximum cumulative term limit of nine (9) years from the reckoning year of 2012.

Officers are appointed or elected annually by the Board of Directors at its first Organizational meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

Terms of Office of a Director

Pursuant to the Company By-Laws, the directors who shall be stockholders are elected annually by the stockholders for a term of one year and shall serve until the election and acceptance of their duly qualified successors. The composition of the members of the Company's various committees for 2019-2020 are as follows:

Committee Membership of Directors

Executive Committee

Helen Y. Dee	Chairman
Lorenzo V. Tan	Member
Medel T. Nera	Member
Juan B. Santos	Member
Francisco H. Licuanan, III	Member
Gil A. Buenaventura	Member

Remuneration Committee

Wilfrido E. Sanchez	Chairman
Roberto F. de Ocampo	Member
Juan B. Santos	Member

Audit and Related Party Transactions Committee

Roberto F. de Ocampo	Chairman
Ermilando D. Napa	Member
Wilfrido E. Sanchez	Member

Board Risk Oversight Committee

Ermilando D. Napa	Chairman
Medel T. Nera	Member
John Mark S. Frondoso	Member

Corporate Governance, Nomination and Related Party Transactions Committee

Juan B. Santos	Chairman
John Mark S. Frondoso	Member
Roberto F. De Ocampo	Member

Resignation of Directors

To date, no director has resigned or declined to stand for re-election for the Board of Directors due to any disagreement with the Corporation relative to the Corporation's operations, policies and practices.

Election of Directors

The Directors of HI are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified.

Appointment of Officers

Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

Significant Employees

There is no person who is not an executive officer that is expected by the issuer to make a significant contribution to the business.

Family Relationships

Mrs. Helen Y. Dee and Ms. Yvonne S. Yuchengco are siblings.

Other than what is disclosed above, there are no other family relationships known to the registrant.

Interest on Certain Matters to be Acted Upon

No director or officer of the Company has substantial interest, direct or indirect, in any matter to be acted upon in the meeting.

Certain Relationships and Related Transactions

There is no director, executive officer, nominee for director, beneficial holder, or any family member involved in any business transaction with HI and subsidiaries.

There are no material transactions which were negotiated by the Company with parties whose relationship with the Company fall outside the definition of “related parties” under Philippine Accounting Standards 24, Related Party Disclosures, but with whom the Company has relationship that enables such parties to negotiate terms that may not be available from other, more clearly independent parties on an arm’s length basis.

Please refer to Note 22 of the consolidated financial statements for the details of related party transactions. As discussed in the notes, in the normal conduct of business, other transactions with certain affiliates include sharing in general and administrative expenses and cash advances.

Involvement in Legal Proceedings

The Company is not aware and none of the directors and officers or persons nominated to become directors or officers has informed the Company of the following events during the past five years until May 31, 2020:

- (a) any bankruptcy petition filed by or against any business of which any of its director or executive officers was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time.
- (b) any conviction by final judgment of any director or senior executive in a criminal proceeding domestic or foreign or being subject to a pending criminal proceeding domestic or foreign, of any director, executive officer or person nominated to be a director
- (c) any director or senior executive being subject to any order, judgment or decree not subsequently reversed suspended or vacated of any court of competent jurisdiction, domestic or foreign permanently or temporarily enjoining barring, suspending or otherwise limiting such directors’ or executive officer’s involvement in any type of business securities, commodities or banking activities
- (d) any executive officer or director found by a domestic or foreign court of competent jurisdiction, the Commission or other foreign body or a domestic or foreign Exchange or other organized trading market or self-regulatory organization to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Item 6: Compensation of Directors and Executive Officers

Information as to the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company’s Chief Executive Officer and other officers follows:

NAME AND POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
The top 5 executives of the Company are as follows:				
1. Lorenzo V. Tan, President & CEO				
2. Gema O. Cheng, EVP – Chief Operating Officer, Chief Financial Officer & Treasurer				
3. Alexander Anthony G. Galang, SVP – Internal Audit				
4. Joselito D. Estrella, SVP – Chief Information Officer	2020	P 39.5M (est)	P0	P0
5. Edgardo Augusto R. Grau, Jr., VP – Chief Risk Officer	2019	P 31.8M	P0	P0
	2018	P 33.8M	P0	P0
All other officers and directors as group unnamed.	2020	P46.4M (est)	P0	P1.2M (est)
	2019	P43.0M	P0	P0.9M
	2018	P27.8M	P0	P0.7M
TOTALS	2020	P86.1M(est)	P0	P1.2M (est)
	2019	P74.8M	P0	P0.9M
	2018	P61.5M	P0	P0.7M

The table states the aggregate compensation of all directors and executive officers as a group. Other Annual Compensation pertains to per diem allowances given to Directors as discussed below.

Directors are paid a per diem of P25,000 for attendance in a Board meeting. Board meetings are scheduled every quarter in a year. A director is also paid a per diem of P10,000 for participation in Audit and Risk committee meetings and P5,000 in other committee meetings.

Item 7: Independent Public Accountants

The Accounting firm of Sycip Gorres Velayo and Company (SGV & Co.), with office address at 6760 Ayala Avenue, SGV Building, Makati City, Philippines, has been the Company's Independent Auditors since the Company's incorporation, and has been recommended to serve as such for the current year.

Pursuant to SRC Rule 68, paragraph 3(b)(iv) and Memorandum Circular No. 8, series of 2003 (Five (5) Year Rotation of External Auditors), the Company has engaged Ms. Wenda Lynn M. Loyola, as the Engagement Partner of SGV & Co. effective 2016.

The engagement of the external auditors was favorably endorsed by the Audit Committee to the Board of Directors. The engagement is ultimately submitted for approval of the stockholders.

Disagreement with Accountants on Accounting and Financial Disclosure

There was no event for the last 5 years where SGV & Co. had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Attendance of Accountants at the Meeting

Representatives of SGV & Co. are expected to be present at the annual stockholders meeting on August 17, 2020 with the opportunity to make any statement, if they so desire, and will be available to respond to appropriate questions on the Company's financial statements.

External Audit Fees and Services

The Company has engaged SGV & Co. as the external auditor, and is tasked to conduct the financial audit of the Company. For this service, SGV & Co. has billed the company the following amounts:

YEAR	AUDIT FEE BILLING
2019	P3,296,450
2018	P3,182,750
2017	P3,021,500

The Company has not engaged SGV & Co. for any other services aside from its annual audit for the last five (5) years.

Tax Fees

The Company has not engaged the services of the external auditor for tax accounting, compliance, advice, planning and any other form of tax services.

All Other Fees

There are no other fees billed in each of the last two years for the products and services provided by the external auditor, other than the services reported under the items mentioned above.

Item 8: Compensation Plans

No action shall be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9: Authorization or Issuance of Securities Other than for Exchange

No action is to be taken with respect to the following:

1. modification or exchange of securities

2. financial and other information
3. mergers, consolidation, acquisition and similar matters
4. restatement of accounts

Item 10: Modification or Exchange of Securities

No action is to be taken with respect to the modification of any class of securities of the registrant, or the issuance or authorization for issuance of one class of securities of the registrant in exchange for outstanding securities of another class.

Item 11: Financial and Other Information

The audited financial statements as of December 31, 2019, Management Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's financial information is attached hereto as "Annex C"

Item 12: Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken with respect to any transaction involving the following:

1. the merger or consolidation of the registrant into or with any other person or of any other person into or with the registrant;
2. the acquisition by the registrant or any of its security holders of securities of another person;
3. the acquisition by the registrant of any other going business or of the assets thereof;
4. the sale or other transfer of all or any substantial part of the assets of the registrant; or
5. the liquidation or dissolution of the registrant.

Item 13: Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property.

Item 14: Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital, or surplus account of the registrant.

D. OTHER MATTERS

Item 15: Action With Regard to Reports

The Minutes of the previous stockholders meeting held on July 19, 2019 and the Management Report as set forth in the Annual Report will be submitted for stockholders approval.

The voting procedure utilized for election and approval of corporate actions in which Stockholders' approval were required was by "viva voce". The stockholders present in person and by proxy are represented by 493,071,160 common shares and 601,717,252 preferred shares, or 88.68% of the total outstanding shares entitled to vote.

The stockholders were given the opportunity to ask questions after the President's Report and before the meeting was adjourned. The questions asked and the answers given form part of the Minutes of the Annual Stockholders' Meeting, which is attached herewith.

The following matters were discussed and approved with no further comments or objections during the meeting:

1. Approval of the July 20, 2018 Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes of the events that transpired during the said meeting, such as (a) 2017 annual report and audited financial statements, (b) ratification of the actions of the Board of Directors, different Committees and Management during the year 2017, (c) election of directors, and (d) appointment of external auditors.
2. Approval of the 2018 Management and Annual Report constitutes a ratification of the Company's performance during the previous calendar years as contained in the Annual Report.
3. Ratification and confirmation of all the acts, resolutions and proceedings of the Board of Directors, Executive Committee and officers of the Company. This pertains

to all acts resolutions, proceedings and approval made by the Board of Directors, Executive Committee and Officers of the Company from the last stockholders' meeting on July 20, 2018 for the period 2018 up to the date of meeting (July 19, 2019). This includes, among others, those that involve the day to day operations, administrations and management of the corporate affairs such as: a) opening/closing of bank accounts and delegation of bank signatories; b) approval of loans; c) redemption of preferred shares; d) declaration of cash dividends; e) appointment/promotion of officers; and f) ratification of the non-binding term sheet for the merger of iPeople, inc. with AC Education, Inc.

4. Election of Directors for 2019-2020.
5. Re-appointment of Sycip Gores Velayo & Co. as external auditor of the Company for the fiscal year ending 31 December 2019.

The record of the voting results for each of the items listed above form part of the Minutes of the Annual Stockholders' Meeting, which is attached herewith.

The following directors and officers were present at the meeting:

Directors:

1. Mrs. Helen Y. Dee, Chairperson
2. Mr. Medel T. Nera, President
3. Ms. Yvonne S. Yuchengco
4. Mr. Lorenzo V. Tan
5. Dr. Reynaldo B. Veja
6. Atty. Wilfrido E. Sanchez
7. Mr. Juan B. Santos
8. Mr. Ermilando D. Napa

Officers:

9. Ms. Gema O. Cheng, EVP-COO, CFO and Treasurer
10. Mr. Anthony Alexander G. Galang, SVP-Internal Audit
11. Ms. Ma. Esperanza F. Joven, VP-Finance
12. Ms. Ma. Teresa T. Bautista, VP-Corporate Controller
13. Ms. Maria Elisa E. De Lara, VP-Internal Audit
14. Atty. Lalaine P. Monserate, AVP-Legal and Compliance Officer
15. Atty. Samuel V. Torres, Corporate Secretary
16. Atty. Ma. Elvira Bernadette C. Garcia-Gonzalez, Assistant Corporate Secretary

The President's Report, which includes the financial performance of the Company form part of the minutes which is attached herewith. Approval of the Audited Financial Statements, which is provided to the stockholders is likewise stated in the minutes. All material information on current stockholders and their voting rights are stated in the Minutes.

Copies of the minutes of the stockholders' meeting were sent together with the Information Statement and likewise shall be given to the stockholders at the meeting.

Approval of the July 19, 2019 Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes of the events that transpired during the said meeting, such as (a) 2018 annual report and audited financial statements, (b) ratification of the actions of the Board of Directors, different Committees and Management during the year 2018, (c) election of directors, and (d) appointment of external auditors.

Approval of the Annual Report constitutes a ratification of the Company's performance during the previous calendar years as contained in the Annual Report.

Ratification and confirmation of all the acts, resolutions and proceedings of the Board of Directors, Executive Committee and officers of the Company. This pertains to all acts resolutions, proceedings and approval made by the Board of Directors, Executive Committee and Officers of the Company from the last stockholders' meeting on July 20, 2018 for the period 2018 up to the date of meeting (July 19,

2019). This includes, among others, those that involve the day to day operations, administrations and management of the corporate affairs such as: a) opening/closing of bank accounts and delegation of bank signatories; b) approval of loans; c) redemption of preferred shares; d) declaration of cash dividends; e) appointment/promotion of officers; f) approval of the Related Party Transactions Policy; and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange.

Item 16: Matters Not Required to be Submitted

No action is to be taken with respect to any matter, which is not required to be submitted to a vote of security holders.

Item 17: Amendment of Charter, Bylaws or Other Documents

Amendment of Article First of the Articles of Incorporation and the Bylaws to reflect the change in the corporate name of the Company

Article No.	FROM	TO
Article First	That the name of said corporation shall be: House of Investments, Inc. doing business also under the name of Honda Cars Quezon City, Honda Cars Manila, Honda Cars Marikina, Honda Cars Fairview, Honda Cars Tandang Sora, Honda Cars Marcos Highway, Isuzu Manila, Isuzu Commonwealth, Isuzu Greenhills, and Isuzu Leyte.	That the name of said corporation shall be: House of Investments, Inc.

Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company

Article No.	FROM	TO
Article Third	That the PLACE where the principal office of the Corporation is to be established or located is at 3rd Floor, Grepalife Building, 219 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila, Philippines.	That the PLACE where the principal office of the Corporation is to be established or located is at 9th Floor, Grepalife Building, 221 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila, Philippines.

Except for the proposed amendments on the Company’s corporate name and principal office address, no other amendments to its charter, bylaws or other documents will be made.

Item 18: Other Proposed Action

The following matters will be submitted to a vote at the meeting:

1. Approval of the Minutes of the Annual Stockholders’ Meeting held on July 19, 2019.
2. Approval of the Management Report and the Audited Financial Statements of the Company for the year ended December 31, 2019;
3. Amendment of Article First of the Articles of Incorporation to reflect the change in the corporate name of the Company
4. Amendment of Article Third of the Company’s Articles of Incorporation to reflect the change in the principal office address of the Company
5. Ratification and confirmation of all acts, resolutions and proceedings of the Board of Directors, Executive Committee, Other Committees and Officers of the Company during the year 2019.
6. Election of Directors for 2020-2021.
7. Appointment of External Auditors

Item 19: Voting Procedures

All shareholders who wish to cast their votes may do so via the method provided for voting by remote communication or *in absentia*, or by providing the proxy form provided herein. The procedures for voting *in absentia* shall be provided securely through the emails of the stockholders.

At all elections of Directors, each stockholder may vote the shares registered in his/her/its name for as many persons as there are Directors, or he may cumulate said shares and give one candidate as many votes, as the number of Directors to be elected multiplied by the number of his share, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, however, that the whole number of votes cast by him shall not exceed the number of shares owned by him as shown on the Company's stock transfer books multiplied by the number of Directors to be elected.

The Company will not declare stock dividends during the year.

Corporate Governance

(a) Evaluation System to Measure Compliance with the Manual on Corporate Governance

The Company has monitored its compliance with Securities and Exchange Commission (SEC) Memorandum Circulars as well as all relevant Philippine Stock Exchange (PSE) Circulars on Corporate Governance. The Company continues to comply with the leading practices and principles on good corporate governance and appropriate self-rating assessment and performance evaluation to determine and measure its compliance with the said Manual on Corporate Governance.

The Company has submitted its Integrated Annual Corporate Governance Report (IACGR) for the period covering the years 2017 and 2018. For the period covering the year 2019, the Company will submit its IACGR on or before July 30, 2020. Note: The deadline should have been May 30, 2020 but due to COVID 19, this deadline was extended by SEC on July 30, 2020.

(b) Measures Undertaken to Fully Comply with Leading Practices on Corporate Governance

In its 2017 and 2018 Integrated Annual Corporate Governance Reports (IACGRs), the Company has complied with majority of all recommendations specified in the said Report. In 2019, except for two recommendations, the Company is compliant with all of the recommendations.

(c) Deviation from the Manual on Corporate Governance

There is no deviation from the Manual on Corporate Governance. This can be gleaned from the Integrated Annual Corporate Governance Report (IACGR) where majority of the recommendations were complied by the Company. In 2019, while there were two (2) recommendations which the Company cannot comply, the Company provided for substantial explanation (pursuant to the "comply or explain" approach required by SEC) including the fact that the principles recommended are still being achieved by the Company despite its non-compliance.

(d) Plans to Improve Corporate Governance

In order to improve the performance of the Chairperson and the Board of Directors, the Company required them to fill-out and submit an Annual Self-Assessment Questionnaire which is composed of varying statements on their roles, functions and responsibilities under the Manual on Corporate Governance. Likewise, the Company, as required under its Policy on Related Party Transactions, will implement the annual submission of Related Party Questionnaire in order to elicit information about any potential or actual related party transactions entered into by the Chairperson, the Board of Directors and the Company. In addition, it will also require them to submit a Biographical Data containing their personal information, work experience, family relations, and others, to determine their relatives within the third-degree of consanguinity and their related party transactions with the Company, if there is any.

The Company continuously monitors all relevant PSE and SEC Circulars on Corporate Governance that maybe used to improve compliance with the Manual on Corporate Governance.

The Company continues to adhere to the leading practices in good corporate governance as well as the Manual on Corporate Governance by requiring its Chairperson, Directors and Officers to attend the annual seminar on Corporate Governance conducted by entities accredited by the Securities and Exchange Commission (SEC).

UNDERTAKING

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH THE STOCKHOLDERS WITH A COPY OF THE COMPANY'S YEAR 2019 ANNUAL REPORT ON SEC FORM 17-A FREE OF CHARGE. ANY WRITTEN REQUEST FOR A COPY OF SEC 17-A SHALL BE ADDRESSED AS FOLLOWS:

House of Investments, Inc.
Attention: Officer of the Corporate Secretary
Address: 9th Floor GPL Building
221 Sen. Gil J. Puyat Avenue
Makati City 1200 Philippines
Tel. No.: (632) 815-9636
Fax No.: (632) 816-1127
E-mail: hi_asm2020@hoi.com.ph

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on _____, 2020.

JUN 30 2020

House of Investments, Inc.

By:

Atty. Lalaine P. Monserate
Compliance Officer

Atty. Samuel V. Torres
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE
ME THIS DAY JUN 30 2020 IN THE
CITY OF MAKATI AFFIANT EXHIBITED HIS/
HER COMMUNITY TAX CERTIFICATE NO. _____
ISSUED ON _____ ISSUED AT _____

BOOK NO. 483
PAGE NO. 48
SERIES OF 112
2020

JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-66 / Until 12-31-2021
Roll No. 45790 / IBP Lifetime No. 04897 / 7-3-03
PTR O.R. No. 8116016 / 1-2-20 / Makati City
MCLE No. VI-0016565 / 1-14-19
G/F, Fedman Suites, 199 Salcedo St.
Legazpi Village, 1229 Makati City

ANNEX 1

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOHN MARK S. FRONDOSO**, Filipino, of legal age and a resident of 1163 Tamarind Road, Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **HOUSE OF INVESTMENTS, INC.** and have been its independent director since December 2016.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
FSG Technology Ventures, Inc.	President	August 2017 – Present
Star Two Holdings, Inc.	President	March 2014 – Present
Philippine Public School Teachers Association	Trustee / Chairman of Investment Committee	July 2013 – Present
HC Consumer Finance Philippines, Inc. (Home Credit)	Director	July 2013 – Present
Asian Aerospace Corporation	Director	July 2013 – Present
FSG Capital, Inc.	Chairman & President	May 2012 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **HOUSE OF INVESTMENTS, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I am related to the following director/officer of **HOUSE OF INVESTMENTS, INC.** other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer	Position	Nature of Relationship
Ms. Helen Y. Dee	Chairman/Director	I am a nephew of Ms. Dee and Ms. Yuchengco by virtue of my mother being their second cousin on the maternal side.
Ms. Yvonne S. Yuchengco	Director	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.

House of Investments, Inc.
Certification of Independent Director
Page 2


7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of HOUSE OF INVESTMENTS, INC. of any changes in the abovementioned information within five days from its occurrence.

Done this 26 day of May 2020 at Makati City, Metro Manila, Philippines.


JOHN MARK S. FRONDOSO
Affiant

SUBSCRIBED AND SWORN to before me this 26 day of May 2020 at MAKATI CITY, affiant personally appeared before me and exhibited to me his Philippine Passport No. P9479137A, issued at DFA NCR East, and valid until November 8, 2028.

Doc. No. 499 ;
Page No. 100 ;
Book No. 100 ;
Series of 2020.


JOSHUA F. LAPIJZ
Notary Public for Makati City
Appointment No. M-66 / Until 12-31-2021
Roll No. 45790 / IBP Lifetime No. 04897 / 7-3-03
PTR O.R. No. 8116016 / 1-2-20 / Makati City
MCLE No. VI-0016565 / 1-14-19
G/F, Fedman Suites, 199 Salcedo St.
Legazpi Village, 1229 Makati City

ANNEX 2

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ERMILANDO D. NAPA**, Filipino, of legal age and a resident of 120 Bluebird Road, Moonville Subdivision, Parañaque City, after having been duly sworn to in accordance with law do hereby declare that:

- 1) I am a nominee for independent director of **HOUSE OF INVESTMENTS, INC.** and have been its independent director since July 2016.
- 2) I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Manila Consulting & Management Co., Inc.	Founder/Chairman	1992 – Present
Catanauan Resources & Development Corporation	Founder/Chairman	1999 – Present
E&F Holdings, Inc.	Founder/Chairman	1997 – Present
L'Opera Group of Restaurants	Group Treasurer	2004 – Present
Manila Realty Holdings, Inc.	Founder/Chairman	1992 – Present
Power Assets, Inc.	Founder/Chairman	1999 – Present
National Reinsurance Corporation of the Philippines	Independent Director Chairman of the Audit Committee, Member of the Nomination and Compensation Committee; Member of the Risk Oversight Committee; Member of the Corporate Governance and Related Party Transactions Committee	2011 – Present
National Life Insurance Company of the Philippines	Chairman of the Interim Governance Board	2014 – Present
Capitol Hills Golf and Country Club, Inc.	Chairman- Court Appointed Board of Liquidator	2018 – Present

- 3) I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **HOUSE OF INVESTMENTS, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
- 4) I am not related to any director, officer, or substantial shareholder of **HOUSE OF INVESTMENTS, INC.** or any of its subsidiaries and affiliates.
- 5) To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

- 6) I am not employed nor affiliated with any government agency or government owned and controlled corporation ("GOCC").
- 7) I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
- 8) I shall inform the Corporate Secretary of HOUSE OF INVESTMENTS, INC. of any changes in the abovementioned information within five days from its occurrence.

Done this 26th day of May 2020 at Makati City, Metro Manila, Philippines.



ERMILANDO D. NAPA
Affiant

JUN 26 2020

SUBSCRIBED AND SWORN to before me this ____ day of May 2020 at **MAKATI CITY**, affiant personally appeared before me and exhibited to me his Philippine Passport No. P2512053B, issued at DFA Manila, and valid until July 10, 2029.

Doc. No. 498
Page No. 102
Book No. 109
Series of 2020.

JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-66 / Until 12-31-2021
Roll No. 45790 / IBP Lifetime No. 04897 / 7-3-03
PTR O.R. No. 8116016 / 1-2-20 / Makati City
MCLE No. VI-0016565 / 1-14-19
G/F, Fedman Suites, 199 Salcedo St.
Legazpi Village, 1228 Makati City

CERTIFICATE OF INDEPENDENT DIRECTOR

I, Roberto F. de Ocampo, Filipino, of legal age and a resident of 121 Victoria Cor. Homonhon Sts. Magallanes Village, Makati, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of House of Investments and have been its independent director since June 5, 2000.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
RFO Center for Public Finance and REGIONAL Economic Cooperation	Chairman of the Board of Advisors	2006
Philippine Veterans Bank	Chairman and CEO	2013
MoneyTree Publishing Inc.	Chairman	2007
Stradcom Corporation	Chairman	2003
Public Finance Institute of the Philippine	Chairman	2007
Interinvest Project Inc. (IPI)	Chairman	2013
British Alumni Association	Chairman	2007
Libera International Advisory Board (London)	Chairman	2013
Foundation for Economic Freedom	Chairman	2012
Center for Philippine Futuristics Studies and Management Inc.	Chairman	2014
Makati Business Club	Vice-Chairman	2006
Centennial Group (Washington), D.C.	Founding Director	1999
Emerging Markets Forum	Founding Director	2005
HatchAsia Inc.	Independent Director	2010
Alaska Milk Corp.	Independent Director	1999
Bankard, Inc.	Independent Director	2006
EEL Corporation	Independent Director	2005
House of Investments	Independent Director	2000
Beneficial Life Insurance Co., Inc.	Independent Director	2008
Robinsons Land Corporation	Independent Director	2003
SPC Power Corporation	Independent Director	2002
DFNN Inc.	Independent Director	1999

Investment & Capital Corporation of the Philippines (ICCP)	Independent Director	2011
South Forbes City College	Director	2016
Business for Sustainable Development (Philippine Business for the Environment, PBE)	Board Member	2015
The Conference Board (New York)	Member, Global Advisory Board	2004
Corporate Governance Institute of the Philippines	Member, Board of Advisers	2004
Philippine Cancer Society	Member, Board of Advisers	1998
Ramos Peace and Development Foundation	Member, Board of Trustees	1999
SGV Foundation	Member, Board of Trustees	1999
Trilateral Commission	Member, Asia Pacific Group Representing ASEAN	2000
Renewable Energy Asia Fund (Berkeley Energy, UK)	Strategic Advisor	2008
Philippine Quality & Productivity Movement Inc.	Member, Board of Advisers	2012

I am not affiliated to any government/owned and controlled corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of House of Investments, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of House of Investments as provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N.A.	N.A.	N.A.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N.A.	N.A.	N.A.

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from House of Investments to be and independent director in House of Investments, pursuant to Office of the President Memorandum Circular' No. 17 and Section 12, Rule XVIII of the Revised Civil Services Rules.

7. I shall faithfully and diligently comply with my duties as responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of House of Investments of any changes in the abovementioned information within five days from its occurrence.

Done ^{JUN 26 2020} this 3rd day of June 2020, at Makati City



ROBERTO F. DE OCAMPO
Affiant

SUBSCRIBED AND SWORN to before me this 3rd day of June 2020 at Makati City, affiant personally appeared before me and exhibited to me his passport with no. EC6721113 valid until 09 February 2021 issued at DFA NR Central on 10 February 2016.

^{JUN 26 2020}
JOSHUA P. LAPUZ
 Notary Public for Makati City
 Appointment No. M-66 / Until 12-31-2021
 Roll No. 45790 / IBP Lifetime No. 04897 / 7-3-03
 PTR O.R. No. 8116016 / 1-2-20 / Makati City
 MCLE No. VI-0018565 / 1-14-19
 G/F, Fedman Suites, 193 Salcedo St.
 Legazpi Village, 1229 Makati City

Doc. No. 496 :
 Page No. 100 :
 Book No. 109 :
 Series of 2020:

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FRANCISCO H. LICUANAN III**, Filipino, of legal age and a resident of No. 5 Bonifacio Place, Ayala Heights, Dilliman, Quezon City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **HOUSE OF INVESTMENTS, INC.** and have been its independent director since 2006.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Philippine Hoteliers Inc.	Director	1985 to Present
Eltrio Food Corporation	Director and Corp. Secretary	1995 to Present
JG Food Ventures	Stockholder	1996 to Present
Lucky Trin Food Ventures	Stockholder	1997 to Present
Innovative Property Solutions, Inc.	Chairman/President & CEO and Stockholder	October 2005 to Present
Lucky Fort Food Ventures Inc.	Stockholder	2006 to Present
GeoEstate Development Corp.	Chairman/CEO and Stockholder	October 2006 to Present
Coca-Cola Bottlers Phils./Coca-Cola Export Corp.(Phils.)	Member, Advisory Board	April 2007 to Present
Battery Park Investments Inc.	Chairman/CEO and Stockholder	May 2007 to Present
New Pacific Resources Management (SVP-AMC), Inc.	Chairman/CEO and Stockholder	July 2007 to Present
Stonebridge Corporation	President	November 2013 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **HOUSE OF INVESTMENTS, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **HOUSE OF INVESTMENTS, INC.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		


5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **HOUSE OF INVESTMENTS, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 26 2020 day of May 2020, at Makati City, Metro Manila, Philippines.


FRANCISCO H. LICUANAN III
Affiant

SUBSCRIBED AND SWORN to before me this JUN 26 2020 day of May 2020 at Makati City, affiant personally appeared before me and exhibited to me his Philippine Passport No. _____, issued at _____, valid until _____.

Doc. No. 498 ;
Page No. 109 ;
Book No. 109 ;
Series of 2020.


JOSHUA P. LAPIZ
Notary Public for Makati City
Appointment No. M-66 / Until 12-31-2021
Reli No. 45790 / IGP Lifetime No. 04897 / 7-3-03
PTR O.R. No. 8116016 / 1-2-20 / Makati City
MCLE No. VI-0016565 / 1-14-19
G/F, Fedman Suites, 198 Saicerto St
Legazpi Village, 1229 Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JUAN B. SANTOS**, Filipino, of legal age and a resident of 2420 Bougainville, Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **HOUSE OF INVESTMENTS, INC.** and have been its independent director since 2014.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Rizal Commercial Banking Corporation	Independent Director	2016 – Present
Philippine Investment Management, Inc. (PHINMA)	Director	August 2013 – Present
Philippine Investment Management Corp.	Director	Dec 2018 - Present
First Philippine Holdings, Inc. (FPHC)	Director	June 2009 – Present
Alaska Milk Corporation	Director	May 2007 – Present
Sun Life Grepa Financial, Inc. (Formerly Grepalife Financial, Inc.)	Independent Director	October 2006 – Present
Allamanda Management Corp.	Director	January 2000 – Present
Marsman Drysdale Group of Companies	Consultant	September 2007 – Present
East West Seeds Corp.	Advisory Board	2008 – Present
St. Lukes Medical Center	Trustee	2005 – Present
Mitsubishi Motors Phils. Corp.	Advisory Board	January 2016 – Present
DualTech Foundation	Trustee	May 2012 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **HOUSE OF INVESTMENTS, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **HOUSE OF INVESTMENTS, INC.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **HOUSE OF INVESTMENTS, INC.** of any changes in the abovementioned information within five days from its occurrence.


Done this JUN 26 2020 day of May 2020, at Makati City, Metro Manila, Philippines.



JUAN B. SANTOS
Affiant

SUBSCRIBED AND SWORN to before me this JUN 26 2020 day of May 2020 at Makati City, affiant personally appeared before me and exhibited to me his Philippine Passport No. _____, issued at _____, and valid until _____.

Doc. No. 407 ;
Page No. 160 ;
Book No. 109 ;
Series of 2020.


JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-66 / Until 12-31-2021
Roll No. 45790 / Lifetime No. 04897 / Z-1-03
PTR O.R. No. 8116016 / 1-2-20 / Makati City
MCLE No. VI-0016565 / 1-14-19
G/F, Fedman Suites, 199 Salcedo St.
Legazpi Village, 1229 Makati City



22 June 2020

THE SECURITIES AND EXCHANGE COMMISSION
PICC Complex, Roxas Boulevard
Pasay City

Attention: **MR. VICENTE GRACIANO P. FELIZMENIO, JR.**
Director, Markets and Securities Regulation Department

Re: SEC Form 20-IS of House of Investments, Inc. (SEC Reg. No. 15393)

Gentlemen:

In compliance with the requirements of the Securities Regulation Code relative to the filing of SEC Form 20-IS of the House of Investments, Inc. (the "Company"), we hereby certify that none of the Company's incumbent directors and executive officers who may be elected and appointed during the Annual Stockholders' and Organizational Meetings to be held on 17 August 2020 are government employees.

We trust that the foregoing sufficiently complies with this Honorable Commission's requirements.

Very truly yours,


SAMUEL V. TORRES
Corporate Secretary

HOUSE OF INVESTMENTS, INC.

PROXY

I, the undersigned holder of shares of stock of House of Investments, Inc. (“Corporation”), do hereby constitute, name and appoint the **Chairman of the Meeting**, or in his absence, **the Secretary of the Meeting**, as my attorney and proxy, to represent me and to vote all the shares registered under my name in the Books of the Corporation at the Annual Meeting of the Stockholders of the Corporation on **August 17, 2020** and any adjournment(s) thereof. In particular, I hereby direct my said proxy to vote on the matters set forth below as I have expressly indicated by marking the same with an “X”. **If I fail to indicate my vote on the items specified below, I authorize my proxy full discretion to act and I understand that my proxy shall vote in accordance with the recommendation of the Management. Management recommends a “FOR ALL” vote for proposal 1 and a “FOR” for proposals 2 through 5.**

PROPOSAL	ACTION		
	FOR ALL	WITHHOLD FOR ALL	EXCEPTION
<p>1. Election of Management’s Nominees as Directors</p> <p>Management Nominees:</p> <ol style="list-style-type: none"> 1. Helen Y. Dee 2. Lorenzo V. Tan 3. Yvonne S. Yuchengco 4. Medel T. Nera 5. Wilfrido E. Sanchez 6. Gil A. Buenventura 7. Lorenzo Andres T. Roxas <p>Independent Directors:</p> <ol style="list-style-type: none"> 1. Roberto F. De Ocampo 2. John Mark S. Frondoso 3. Francisco H. Licuanan III 4. Juan B. Santos <p><i>Except for Mr. Roxas, the above-mentioned nominees are all incumbent members of the Board of Directors.</i></p> <p>INSTRUCTIONS: <i>To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list name(s) under.</i></p>			
	FOR	AGAINST	ABSTAIN
2. Approval of the Minutes of the Annual Stockholders’ Meeting held on July 19, 2019.			
3. Approval of the Management Report and Audited Financial Statements for 2019.			
4. Amendment of Article First of the Articles of Incorporation and the By-laws to reflect the change in the corporate name of the Company			
5. Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company			
6. Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Other Committees and the Officers of the Company during the year 2019, which includes, among others, those that involve the day to day operations, administrations and management of the corporate affairs.			
7. Appointment of SGV as External Auditors			

THIS PROXY, SOLICITED ON BEHALF OF THE INCUMBENT BOARD OF DIRECTORS OF HOUSE OF INVESTMENTS, INC. SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE 10:00 A.M OF AUGUST 14, 2020, THE DEADLINE FOR SUBMISSION OF PROXIES.

REVOCABILITY OF PROXY

THE SHAREHOLDER MAY REVOKE THE PROXY ISSUED BY HIM AT ANY TIME PRIOR TO ITS USE BY THE PARTY WHO IS THEREBY AUTHORIZED TO EXERCISE THE SAME. THE PERSON SIGNING THE PROXY HAS THE RIGHT TO REVOKE THE PROXY BY ATTENDING THE MEETING IN PERSON OR EXECUTION OF A PROXY AT A LATER DATE.

PERSONS MAKING THE SOLICITATION

THIS PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT. THE PROXY STATEMENT AND THE ENCLOSED PROXY SHALL BE SENT BY THE SECRETARY OF THE CORPORATION EITHER BY MAIL, POSTAGE PREPAID, OR BY PERSONAL DELIVERY TO EACH STOCKHOLDER AT HIS ADDRESS APPEARING IN THE RECORDS OF THE CORPORATION. DULY EXECUTED PROXIES MAY BE RETURNED BY MAIL, FAX, OR BY HAND TO THE OFFICE OF THE CORPORATE SECRETARY ON OR BEFORE 10:00 A.M. ON AUGUST 14, 2020.

SOLICITATIONS OF PROXIES WILL BE MAINLY CONDUCTED THROUGH MAIL. IN ADDITION TO SOLICITATION OF THE PROXIES BY MAIL, OFFICERS AND EMPLOYEES OF THE COMPANY MAY ALSO SOLICIT PROXIES PERSONALLY OR BY TELEPHONE. THE COST OF SOLICITATION, APPROXIMATELY ₱ 250,000 WILL BE BORNE BY THE COMPANY.

THERE IS NO MATERIAL CONSIDERATION CONTRACT OR ARRANGEMENT FOR THE SOLICITATION. THE COMPANY IS NOT A PARTY TO ANY ARRANGEMENT OR UNDERSTANDING WITH ANY PERSON WITH RESPECT TO ANY MATTER TO BE ACTED UPON THE MEETING.

THIS PROXY SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE HEREOF UNLESS OTHERWISE INDICATED IN THE BOX HEREIN PROVIDED:

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF ALL NOMINEES AND FOR SUCH MATTERS AS MAY PROPERLY COME BEFORE THE MEETING, INCLUDING MATTERS WHICH THE SOLICITOR(S) DO NOT KNOW A REASONABLE TIME BEFORE THE SOLICITATION ARE TO BE PRESENTED AT THE MEETING, IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON:

1. No current director or officer of the Company, or nominee for election as directors of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than the election to office.
2. No director has informed the Company in writing that he intends to oppose any action to be taken by the registrant at the meeting.

THIS PROXY SHALL CONFER DISCRETIONARY AUTHORITY TO VOTE WITH RESPECT TO ANY OF THE FOLLOWING MATTERS:

1. MATTERS WHICH THE COMPANY DOES NOT KNOW DURING A REASONABLE TIME BEFORE THIS SOLICITATION ARE TO BE PRESENTED AT THE MEETING.
2. MATTERS INCIDENT TO THE CONDUCT OF THE MEETING.

Printed Name	Signature of Stockholder	No. of Shares	Date
Address and Telephone Number			

THIS PROXY IS BEING SOLICITED ON BEHALF OF THE MANAGEMENT OF HOUSE OF INVESTMENTS, INC.

Please mail this proxy form to :

ATTY. SAMUEL V. TORRES
CORPORATE SECRETARY
House of Investments, Inc.
9/F Grepalife Bldg.
221 Sen. Gil Puyat Avenue OR FAX TO : 8816-11-27 / 8815-99-81
Makati City Metro Manila
E-mail: hi_asm2020@hoi.com.ph

ANNEX “A”

A. Procedure to Register to be able to Attend and Participate in the Meeting

Stockholders are requested to notify the Company, by email to the following email address: hi_asm2020@hoi.com.ph, by August 7, 2020, of their intention to participate in the Annual Stockholders’ Meeting by remote communications.

For validation purposes, Stockholders shall also provide the Company with the following information: (a) Name; (b) Address; and (c) Contact Number. The Company may require documents to ascertain and verify the identity of the requesting person.

B. Procedures for Electronic Voting *in Absentia*

I. Coverage

Stockholders of House of Investments, Inc. who chose to electronically vote *in absentia*, upon registration and validation.

II. Registration

a. Who may Register – Stockholders of Record as of July 17, 2020

b. When to Register – Registration period shall be from July 27, 2020 at 8:00 AM to August 7, 2020 at 5:00 PM, Philippine Standard Time (“Registration Period”). Beyond this date, Stockholders may no longer avail of the option to electronically vote *in absentia*.

c. How to Register – The Stockholders will be requested to send a notification to hi_asm2020@hoi.com.ph together with a scanned or digital copy of the documents listed below, to the following email address: hi_asm2020@hoi.com.ph, within the Registration Period, for validation.

Individual Stockholders:

1. A recent photo of the Stockholder, with face fully visible,
2. Front and back portions of the Stockholder’s valid government-issued, identification card, preferably with residence address, and
3. Contact number

Stockholders with Joint Account:

1. Authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account,
2. A recent of the authorized Stockholder, with face fully visible,
3. Front and back portions of the Authorized Stockholder’s valid government-issued identification card, preferably with residence address, and
4. Contact number of the Authorized Stockholder

Broker Accounts:

1. The broker’s certification on the Stockholder’s number of shareholdings duly signed by the named Nominee or Associated Person of the said broker,
2. A recent photo of the Stockholder, with face fully visible,
3. Front and back portions of the Stockholder's valid government-issued identification card, preferably with residence address, and
4. Contact number

Corporate Stockholders

1. Signed Corporate Secretary's certificate attesting to the authority of the representative to vote for and on behalf of the Corporation,
2. A recent photo of the Stockholder's representative, with face fully visible,
3. Front and back portions of the valid government-issued identification card of the Stockholder's representative, preferably with residence address, and
4. Contact number of the Stockholder's representative

Stockholders with incomplete requirements will not be given the link to attend the meeting through remote communication or vote *in absentia*, but may still vote by sending a proxy to the Annual Stockholders' Meeting.

d. Validation of Registration

The registration notification, information and documents required to be submitted by the Stockholder, as provided for above, shall be reviewed and evaluated whereby the identity and number of shares of the stockholder shall be ascertained and verified. The validation of the information provided, the documents submitted and the propriety of the stockholder's registration shall be completed by the Company within three (3) business days from receipt of the registration notification and required information and documents.

The Company will send an email confirming the successful validation of the Stockholders' registration.

Please note that submission of incomplete or inconsistent information may result in an unsuccessful registration and attendance in the meeting through remote communication means will not be allowed.

Note: In light of the recent events and government pronouncements and guidelines surrounding the COVID-19 pandemic, the Company shall allow electronic signatures for the required documents, as may be applicable. Notarization requirements shall also be dispensed with at this time. However, the Company reserves the right to request additional information, and original signed and notarized copies of these documents, as it deems necessary.

III. Voting

Please use the form attached as Annex "B" to record your vote and then email to: hi_asm2020@hoi.com.ph, on or before August 7, 2020

Notes and Conduct of Voting:

A. Voting

- a. The Stockholder appointing a Proxy:
Stockholders may give the Proxy the authority to vote in all matters for approval.
- b. The Stockholder Voting by Remote Communication or *in Absentia*
The Stockholders will be asked to fill in the attached Annex "B"
 1. For items other than the Election of Directors, the registered Stockholder has the option to vote: FOR, AGAINST, or ABSTAIN. The vote is considered cast for all the registered Stockholders' shares.
 2. For Election of Directors, the registered Stockholder may vote for all nominees, not vote for any of the nominees, or vote for some nominees only, in such

number of shares as preferred by the Stockholder, provided the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

The votes cast *in absentia* will have equal effect as votes cast by proxy.

B. Tabulation & Validation of Voting *in Absentia* or by Proxy

All votes cast through proxy forms or *in absentia* will be tabulated by the Company, and the RCBC Stock Transfer Office will validate the results.

Validation and final tally of votes through Proxy or *in Absentia* shall be released on or before the meeting date.

C. Determination of Quorum

Only those Stockholders who have notified the Company of their intention to participate in the Annual Stockholders' Meeting by remote communication, and who have successfully registered during the Registration Period, together with the Stockholders who voted by Proxy or *in Absentia* will be included in the determination of quorum.

D. Access to the Live Meeting

The Company will send to the registered Stockholders the link of the live webcast of the Annual Stockholders' Meeting through the email confirming their successful registration no later than two (2) business days prior to the Meeting.

E. Stockholders' Questions/Comments During the Meeting

Stockholders may send their questions and/or comments during the meeting to hi_asm2020@hoi.com.ph. The Corporate Secretary shall raise these questions on behalf of the Stockholder.

F. Recording of the Annual Meeting

The Company shall post the link to the recorded webcast of the Annual Stockholders' Meeting on the Company's website within two (2) weeks after the conduct of the meeting.

Annex “B”

ELECTRONIC VOTING IN ABSENTIA

PROPOSAL	ACTION		
	FOR ALL	WITHHOLD FOR ALL	EXCEPTION
<p>ELECTION OF DIRECTORS</p> <p>Management Nominees:</p> <ol style="list-style-type: none"> 1. HELEN Y. DEE 2. LORENZO V. TAN 3. YVONNE S. YUCHENGCO 4. MEDEL T. NERA 5. WILFRIDO E. SANCHEZ 6. GIL A. BUENVENTURA 7. LORENZO ANDRES T. ROXAS <p>Independent Directors:</p> <ol style="list-style-type: none"> 8. ROBERTO F. DE OCAMPO 9. FRANCISCO H. LICUANAN III 10. JUAN B. SANTOS 11. JOHN MARK S. FRONDOSO <p><i>Except for Mr. Roxas, the above-mentioned nominees are all incumbent members of the Board of Directors.</i></p> <p>INSTRUCTIONS: <i>To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list name(s) under.</i></p>			
	FOR	AGAINST	ABSTAIN
APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS’ MEETING HELD ON JULY 19, 2019.			
APPROVAL OF THE MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR 2019.			
AMENDMENT OF ARTICLE FIRST OF THE ARTICLES OF INCORPORATION AND THE BY-LAWS TO REFLECT THE CHANGE IN THE CORPORATE NAME OF THE COMPANY.			
AMENDMENT OF ARTICLE THIRD OF THE ARTICLES OF INCORPORATION TO REFLECT THE CHANGE IN THE PRINCIPAL OFFICE ADDRESS OF THE COMPANY.			
RATIFICATION AND CONFIRMATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, OTHER COMMITTEES, AND THE OFFICERS OF THE COMPANY DURING THE YEAR 2019.			
APPOINTMENT OF SGV AS EXTERNAL AUDITORS.			

DATE: _____

STOCKHOLDER’S NAME: _____

STOCKHOLDER’S SIGNATURE: _____

NOTE: Please submit this form on or before August 7, 2020 and accompanied by any government issued identification.



ANNEX “C”

MANAGEMENT REPORT

Financial and Other Information

Audited Financial Statements

The Statement of Management's Responsibility and Consolidated Audited Financial Statements of the Group as at December 31, 2019 are attached hereto as **Annex "D"**.

Changes in and Disagreements with Accountants in Accounting and Financial Disclosure

None

Management Discussion and Analysis of Financial Condition and Plan of Operations

Item 1: Description of Business

House of Investments, Inc. ("the Company") was incorporated in 1959 as an investment bank, the first of such bank to be organized in the Philippines. Through the years, the Company evolved into an investment holding and management company with a diversified portfolio and became one of the four major flagship corporations of the Yuchengco Group of Companies ("YGC").

The Company's core business focus is organized into four segments, namely: car dealership, construction, education and property management services. Its portfolio investments are in pharmaceuticals, energy, and deathcare.

CORE BUSINESS UNITS:

A. CAR DEALERSHIP:

House of Investments operates three car-retailing brands: Honda, Isuzu and Geely.

House of Investments owns and operates Honda dealerships in the following Metro Manila locations: Quezon Ave., Manila, Marikina, Fairview, and Marcos Highway and one service center in Tandang Sora. HI also owns a majority stake in Honda Cars Kalookan, Inc. that owns and operates dealerships in Kalookan and Greenhills.

The Company's Isuzu dealerships are in four locations: Manila, Commonwealth, Greenhills, and Leyte.

In 2019, House of Investments invested in a minority stake in Sojitz G Auto Philippines Corporation which owns and operates the Geely distributorship and the flagship dealership in North Edsa. HI also owns and operates a Geely dealership in Manila.

B. CONSTRUCTION

House of Investments owns a majority stake in one of the largest Philippine construction and general contracting firms, EEI Corporation. EEI has international operations spanning from the Kingdom of Saudi Arabia to Africa and Asia. It is also a market leader in the domestic construction and contracting sector.

C. EDUCATION

House of Investments owns a significant stake in iPeople, inc. ("iPeople"), the vehicle for investments in education. iPeople wholly owns the Malayan Education System, Inc. (Operating under the name of Mapúa University) ("MES"). Mapúa University is widely considered to be the leading and largest private engineering and I.T. school in the country. Mapua University also owns and operates three other schools: Malayan Colleges Laguna (A Mapua School) Inc, Malayan Colleges Mindanao, A Mapua School and Malayan High School of Science.

The merger of Ayala Education Inc. (AEI) into iPeople which took effect in May 2019 brought in three more schools into the iPeople network, bringing the total number of operating schools to seven (7) The three new schools from the merger are as follows: The APEC Schools, University of Nueva Caceres (UNC) and National Teachers College (NTC).

D. PROPERTY MANAGEMENT SERVICES

House of Investments wholly owns Landev Corporation. Landev is primarily engaged in property, facilities, and project management for the YGC. It also provides comprehensive security services to

leading institutions through its subsidiary Greyhounds Security and Investigation Agency Corporation (“GSIA”).

House of Investments also owns a minority stake in RCBC Realty Corporation (“RRC”), which owns the RCBC Plaza. The operations of RCBC Plaza are managed by House of Investments.

The operations of each core business, along with a discussion of risks and 2019 performance, will be discussed in the appropriate section.

PORTFOLIO INVESTMENTS:

A. ENERGY

House of Investments has investments in the energy sector through its stake in PetroEnergy Resources Corporation (“PERC”) and EEI Power Corporation, a wholly-owned subsidiary of EEI.

PetroEnergy Resources Corporation (PERC) is a publicly listed Philippine energy company founded in 1994 to undertake upstream oil exploration and development. Since then, it has diversified into renewable energy and power generation. PetroEnergy, through its renewable energy arm, PetroGreen Energy Corporation (PGEC), has investments in the following joint venture companies : PetroSolar Corporation, PetroWind Energy Inc., and Maibarara Geothermal Incorporated.

EEI Power Corporation operates a 15-megawatt Heavy Fuel Oil (HFO) power plant in the City of Tagum, Davao del Norte. It also has investments in renewable energy through its participation in Petro Wind Energy, Inc. and PetroSolar Corporation, both of which are subsidiaries of PERC.

B. PHARMACEUTICALS

House of Investments owns 50% of HI-Eisai Pharmaceuticals, Inc. (“HEPI”), which is a joint venture with the Eisai Co. of Japan. HEPI imports pharmaceuticals from Japan, which it sells in the Philippine market through established drug distributors.

C. DEATHCARE

House of Investments owns a material stake in Manila Memorial Park Cemetery, Inc. (“MMPCI”). MMPCI is the recognized market leader in afterlife services. It sells memorial lots and owns, operates, and maintains memorial parks.

House of Investments, together with MMPCI jointly owns La Funeraria Paz-Sucat, Inc. (“LFPSI”). LFPSI provides mortuary services to the bereaved and their loved ones.

1.1 Business of the Issuer

THE HOLDING COMPANY

The executive management takes an active role in the management of the core businesses. In addition, the executive management monitors the business performance of the portfolio companies very closely. Through management meetings and regular review of actual results compared to budgets and previous year performance, House of Investments is able to direct corporate strategy and operations.

In particular, management watches operating metrics very closely and how these impact the financial metrics. By monitoring operating and financial metrics, executive management can always determine whether the capital deployed to various businesses within the portfolio is being used efficiently, and generating returns that meet hurdle rates.

Executive management also engages in a continuous business development program. These business development activities range from identifying growth opportunities in existing businesses; helping develop new products and services that increase organic growth; or buying entire companies or controlling stakes in companies which show high growth potential.

Risks at the Holding Company Level

The following covers the risk management policies at the holding company level. *For a discussion of risks faced by each core business unit, please refer to the appropriate section in this report.*

a. Interest Rate Risk

The Company is exposed to interest rate risk because it has borrowings from local banks. It is a company policy to use excess liquidity to pay down borrowings in order to decrease financing costs, and reduce exposure to rising interest rates. It is also a company policy to actively discuss with lending banks on how to lower financing costs. HI does not speculate on the direction of interest rates. The main objective is to lower financing costs as much as possible.

b. Liquidity Risk

The Company seeks to manage its liquidity to be able to service maturing debts, finance capital requirements, and pay for existing operations. House of Investments maintains a consistent level of funding to be able to pay for its day-to-day operations. The Company constantly monitors its projected cash flows. Close attention is paid to asset liability management.

c. Credit Risk

The Company's exposure to credit risk is very minimal because its receivables are mostly from related parties, which are being managed through close account monitoring and limit setting. However, the Company's cash and short-term securities exposes the company to the credit risk of the counterparty.

d. Price Risk

Available for sale (AFS) financial instruments ~~are held and~~ are subject to price risk due to changes in market values because of specific factors related to these securities, or because of factors related to the overall market for financial assets. These prices change depending on how market participants act in the market.

The Company has minimal non-core holdings in its AFS investments. For its non-core holdings, the Company's investment policy is to monitor developments in the market and these securities very closely. The Company regularly assesses the opportunity cost of holding these securities.

e. Business Continuity Risk

The Company is acutely conscious of the risks posed by natural disasters, acts of God, or other man-made actions that can have an adverse impact on the continuity of regular operations. The Company's Board through the Board Risk Oversight Committee and the management team ensures that the business continuity plans of each operating subsidiary are in place and is up to date. Further, the management works with the Yuchengco Group of Companies Business Continuity Management - Disaster Recovery Management (YGC BCM-DRM) Council to ensure that necessary precautionary measures are taken to mitigate risks that may cause disruptions to the operations of our various subsidiaries.

f. Pandemic Risk

Pandemics are large-scale outbreaks of infectious disease that can greatly increase morbidity and mortality over a wide geographic area and cause significant economic, social, and political disruption. The spread of the COVID-19 which originated from Wuhan, China could in 2019 have significant implications for businesses here in the Philippines and around the globe.

The businesses that the Company is invested in may be impacted by the government mandated Community Quarantines which resulted in lockdown of business operations and/or increased operating costs thereby affecting the profitability of our various operations. Pandemic risk

mitigation is managed by our Business Continuity Management – Disaster Risk Management (“BCM-DRM”) Council.

g. Competition

The company is subject to competition in the segments in which each of its core business units operates. *Please refer to the related section of each core business unit on the risks each group faces.*

h. Succession Risk

The Company knows that people are an important resource and that its executive management team is a significant contributor to the continuing growth of House of Investments’ investment portfolio. In order to preserve the management chain of succession and institutional knowledge that comes with it, the executive management works with the executives of the operating subsidiaries to ensure continuous training and career development are in place.

i. Reputation Risk

As a holding company, events occurring at its subsidiaries may ultimately impact the HI brand. Through monthly Mancom and quarterly board committee meetings, HI continues to effectively oversee the affairs of its subsidiaries.

HI has a Board Risk Oversight Committee (“BROC”), an extension of the full Board of Directors, which meets every quarter to discuss key risks and opportunities of the company. One of the BROC’s main role is to review management’s effectiveness in managing risks. The BROC also provides direction and guidance on how the company will not only respond to risks, but also take advantage of opportunities. To support the BROC, the Risk Management Council (“RMC”) which is composed of the HI top management, is also tasked to help execute the direction set by the BROC regarding strategic risks and opportunities. The Chief Risk Officer, with guidance from the RMC and BROC, oversees the implementation of HI Enterprise Risk Management Plan.

CAR DIVISIONS

House of Investments operates three car-retailing brands: Honda, Isuzu, and Geely. Honda’s and Geely’s vehicle line-up include passenger cars and commercial vehicle categories, while Isuzu’s is purely commercial vehicles.

New vehicle unit sales are cyclical. Changes in unit sales are driven by factors like new models, manufacturer incentives, interest rates, fuel prices, unemployment, inflation, the level of personal discretionary spending, credit availability, consumer confidence and others.

Our dealerships also generate revenue through repair services, the sale of replacement and aftermarket parts, and the sale of third-party finance and insurance products. We believe our various income streams help to lower the impact of the cyclicity found in the automotive sector. Revenues from service and parts sales are typically less cyclical than retail vehicle sales.

Risk Factors at the Car Divisions

a. Macro-economic conditions

The Car Divisions’ performance is impacted by general economic conditions overall, and in particular, by economic conditions in the markets in which we operate. These economic conditions include: availability of consumer credit; changes in consumer demand; consumer confidence levels; fuel prices; personal discretionary spending levels; interest rates; and unemployment rates.

b. Operational Risks

- Franchise Agreements with Honda, Isuzu, and Geely. Our dealerships operate under a franchise agreement with Honda Cars Philippines Inc. with Isuzu Philippines Corp. and Sojitz G Auto Philippines Corp., which authorizes our dealerships to sell new vehicles of the brands we carry or perform manufacturer authorized warranty service. These agreements govern almost every aspect of the operation of our dealerships, and give

manufacturers the discretion to terminate or not renew our franchise agreements for a variety of reasons

- Information Technology and Cyber Security. Our information systems are fully integrated into our operations. If these systems go down, our business could be significantly disrupted. In addition, to the extent our systems are subject to intentional attacks or unintentional events that allow unauthorized access that disrupts our systems, our business could be significantly disrupted.
 - Property loss, business interruption or other liabilities. Our operations can be hampered by property losses due to fire, adverse weather conditions, and militant activities e.g. rallies and strikes, among others. In addition, our business is subject to substantial risk of loss resulting from: the significant concentration of property values, including vehicle and parts inventories, at our operating locations; claims by employees, customers, and third parties for personal injury or property damage; and fines and penalties in connection with alleged violations of regulatory requirements.
- c. Market Risk
- Overall success of the automotive industry and in particular on the success of the Honda, Isuzu, and Geely brands. Significant adverse events that may result in product recalls, product launch delays or general delays caused by import supply chain logistic issues may interrupt vehicle or parts supply to our dealerships. Such matters would likely have a significant and/or adverse impact in our car business if the events relate to any of the manufacturers whose franchises generate a significant percentage of our revenue.
 - Competition. We compete with other automotive brands as well as other franchised automotive dealerships; private market buyers and sellers of imported and/or used vehicles; local service and repair shops and parts retailers; and automotive manufacturers (those that own their own dealerships).
In addition to competing on car models, buying decisions by consumers when shopping for a vehicle are extremely price sensitive. The level of competition in the market can lead to lower selling prices and lower profits
- d. Availability of financing and interest rate sensitivity
- To the Company. The operations rely heavily on loans to fund its working capital and cash flow. The car divisions access credit through the lines available to House of Investments, Inc. while Honda Cars Kalookan, Inc. has its own lines with Banks.
A sustained or significant decrease in our operating cash flows could lead to an inability to meet our debt service requirements.
The interest rates we are charged on a substantial portion of our debt are variable, increasing or decreasing based on changes in certain published interest rates. Increases to such interest rates would likely result in significantly higher interest expense for us, which would negatively affect our operating results.
 - To our clients. A significant portion of vehicle sales in the Philippines is funded through bank financing. Access to credit for vehicle buyers and increased interest rates may also decrease vehicle sales, which would negatively affect our operating results.
- e. Regulatory issues
- We are subject to a wide variety of regulatory activities, including: government regulations, claims and legal proceedings. Government regulations affect almost every aspect of our business, including taxation, and the treatment of our employees.
- Data Privacy Act. The Data Privacy Law requires that personal and sensitive information of the car dealerships' stakeholders held by the company be taken care of with utmost privacy. A breach of this requirement would mean stiff penalty and also possibly result to costly lawsuits that may tarnish our reputation. A committee has already been formed to spearhead the awareness for this requirement and implementation of necessary policies that protect personal data.

In the event of regulation restricting our ability to generate revenue from arranging financing for our customers, we could be adversely affected. We could also be susceptible to claims or related actions if we fail to operate our business in accordance with applicable laws. Claims arising out of actual or alleged violations of law which may be asserted against our dealers by individuals, through class actions, or by governmental entities in civil or criminal investigations and proceedings, may expose us to substantial monetary damages which may adversely affect us.

f. Environmental regulations

We are subject to a wide range of environmental laws and regulations, including those governing: discharges into the air and water; the operation and removal of storage tanks; and the use, storage; and disposal of hazardous substances.

In the normal course of our operations we use, generate and dispose of materials covered by these laws and regulations. We face potentially significant costs relating to claims, penalties and remediation efforts in the event of non-compliance with existing and future laws and regulations.

THE CONSTRUCTION SECTOR

EEI CORPORATION AND SUBSIDIARIES

EEI Corporation (EEI or the Company) was founded in 1931 as machinery and mills supply house for the mining industry. Over the past 88 years, aside from broadening the range of industrial machinery and systems it distributes, the Company also expanded into construction services, and in the supply of manpower in the Philippines and overseas. Today, EEI is one of the country's leading construction companies, with a reputable track record in general contracting and specialty works.

Driven by a commitment to Philippine development and to have greater presence in the economy, EEI continues to expand its core business to a wide array of construction competencies. The Company has also been engaged in doing construction projects overseas for more than forty years.

It has been involved in the installation, construction, and erection of power generating facilities; oil refineries; chemical production plants; cement plants; food and beverage manufacturing facilities; semiconductor assembly plants; roads, bridges, railroads, ports, airports, elevated expressways, metro rail transit system and other infrastructure; high rise residential and office towers, and hotel buildings. The Company also operates one of the country's modern steel fabrication plants.

Through its long years of working and collaborating with global contractors, EEI has achieved world class caliber project management and execution expertise with the use of better technologies in all disciplines of the construction industry.

EEI has been recognized by contractors worldwide for the quality of its work and for its safety records, and is certified as compliant with ISO 9001:2008, ISO 14001:2004 (Environmental Management System), and OHSAS 18001:2007 (Occupational Safety and Health Management System) standards. The Company stays abreast with the latest developments in technology, materials engineering, and construction methodologies while including its own innovation in the application of its work, making it a preferred provider of construction services to global Engineering, Procurement, and Construction companies.

EEI also owns five major subsidiaries:

- **Equipment Engineers, Inc.** engages in the supply and marketing of a broad range of industrial plant facilities, process equipment, systems, and parts to the industrial, commercial, and property development companies; and, engages also in supply management services.
- **EEI Power Corporation** is a power producer and engages as well in building, rehabilitating, and operating power generating plants.
- **EEI Construction and Marine, Inc.** engages in structural fabrication works and light steel construction works such as storage tanks, pressure vessels, ducts and pipes.
- **GAIC Group** provides manpower services to both local and foreign markets.

- **EEI Realty Corporation** is engaged in the development of land, housing, and other properties.
- **JPSAI** is a provider of formworks and scaffolding.

Risk Factors at the Construction Sector

The risk management function is an important aspect of corporate governance. EEI has a Risk Management Program which has been in place since 2009. A Risk Management Council composed of the President and CEO, the Chief Risk Officer and key department heads meet regularly to discuss the new and emerging risks brought about by the peculiarities of new projects, changes in the market place, economic shifts, political upheavals, disasters, unusual events and probable impending events which had been identified in the various areas of company's business activities. The Risk Management Council is responsible for providing timely, relevant and comprehensive risk information to the Board through the Board Risk Oversight Committee, which is composed, of five directors.

The company is expecting the following major risks and opportunities (in no particular order) to factor into its business and is doing the corresponding actions to properly address them:

a. Pandemic risks

With pandemic outbreak of COVID 19, EEI has been exposed and has responded with mitigating measures to the following risks:

- Risk to the lives and well-being of its employees. EEI came up with, and continues to update it as necessary, COVID protocols to define how its employees are protected against infection even while working. It has aligned with DOH directives in providing ample detection, disinfection, medical support, and other mitigating solutions. Applicable social distancing protocols have also been incorporated in its way of work.

EEI instructed all its department heads to set-up skeletal work forces and work-from-home mode of operations to minimize the exposure to the virus. EEI continues to study and implement aspects which are applicable from the guidelines set by ECDC for COVID 19 risk awareness, risk assessment, and mitigation.

- Risk of disruptive operations. EEI has setup skeletal work force and work-from-home mode of operations to ensure that its business will continue; its construction contracts are being reviewed (e.g. force majeure provisions) for the possibility of risk transfer or risk sharing of the impact of the COVID risk with other stakeholders.
- Disruptions on meetings and communications risk. EEI has maximized telecommuting in its work and have already put in place an online meeting environment that is available to all personnel or group of personnel who would need it.

b. Geopolitical risk and opportunities

- **Philippine Infrastructure Boom.** The government continues to change the political and economic situation in the country.
 - The "Build, build, build" initiative of the government initiative of the government is expected to provide a sizable opportunity for players in the construction industry but the funding for such and fairness of the government in awarding contracts are important factors.
 - The government has signed 29 bilateral agreements during the Chinese President's visit in November 2018 highlighting the growing relationship between the two countries. These agreements follow the signing of 13 cooperation agreements and securing financial assistance and investment pledges worth USD 24 billion during President Duterte's visit to China in October 2016. There are concerns about onerous contracts from other countries which were granted ODA by China.
 - Japan remains the top ODA provider with almost USD 6 billion or 40% of the total ODA received by the Philippines.
 - Philippine Offshore Gaming Organization ("POGO") business permits has increased real estate business due to the influx of Chinese workers. Potential change in China policy, however, may impact the continued growth in real estate activities.

To mitigate risks, EEI has made alliances with foreign EPCs mainly Japanese in our pursuit for more infrastructure projects. EEI is also establishing working relationships with known local developers that will most likely be awarded government projects. In addition, due diligence on Chinese investors is being done prior to entering into any partnership. Contracts related to such partnerships are being thoroughly reviewed to ensure fairness.

- **Global Economic Slowdown and Global Trade War.** The global growth forecast for 2020 had already been revised downward due to the combined impact of the COVID-19 Pandemic and the slowdown in global trade due to higher tariffs. Financial conditions have already tightened. A range of triggers beyond escalating trade tensions could spark a further deterioration in risk sentiment with adverse growth implications. To mitigate this risk, EEI monitors steel prices for opportunistic medium-term supply contract. EEI also initiates capital increase before liquidity squeeze.
 - **Boom and Bust Cycle of the Construction Business.** The current main source of revenue of the company is in the construction business in the Philippines (mainly in infrastructure) and in Saudi Arabia (mainly electro mechanical projects in the oil and gas industry). The company's financial performance can easily be affected by the changes in the business climate in these countries. To mitigate this risk, EEI is looking to diversify, not only in non-construction business but also geographically, which will generate recurring revenue stream for the company.
 - **Regulatory risk.** Infrastructure project contracts are normally long term in nature and spans several government administration. Any change in government laws and administration creates regulatory risks which will disrupt project execution and subject the company to possible termination of contract. Potential capital flight is also expected arising from inconsistent government policies. To mitigate this risk, EEI's contracts includes provisions for material adverse government action and cost of money for uncontrolled dues. Likewise, EEI prioritizes ODA financed projects to assure funding to project completion.
- c. **Saudi country risk**

A relatively sizable operation of the Company is situated in the Kingdom of Saudi Arabia and the uncertainties in that area is of some concern. The prevailing low oil prices, the political instability and regional security threats (Lebanon, Iraq, Iran, Syria and Yemen) continues to be a factor that affects the operations there. During the year, the drone attack on Saudi Aramco's two oil facilities and the US assassination of Iran's Al Quds commander in early January 2020 embroiled Saudi Arabia in further heightened uncertainty. The threat of war between the US and Iran will turn away potential investment in the region and trigger increase in oil prices.

On the other hand, emerging opportunities exist with the new Crown Prince's Vision 2030 initiatives, Saudi Aramco's successful IPO and alliance with Russia and China, which will not only stabilize the oil price but also create new economic activities. The drone attack on Aramco's oil facilities has opened golden opportunities for our Saudi operations resulting in favorable contracts from Aramco. To mitigate this risk, EEI continues to focus on sustainable operations and maintenance and manpower supply contracts where margins are higher and risks are limited, concentrate on Aramco projects with preferential favorable contract terms, and put in place business continuity and disaster recovery plans in case the US-Iran crises spreads into Saudi Arabia.

- d. **Business concentration risk**
- As much as EEI values its current roster of regular clients, it is always better to create a wider client base. Doing this will not only expand the opportunities open to the company but also make the company more resilient to any fluctuations in the business of our clients.

EEI was able to establish new clients but at the same time recognize that expanding the client base has its limits. It is the reality of the Philippine business environment that investors are not that many. So EEI will expand its client base as much as possible but will give equal emphasis on the "quality" of the clients that EEI caters to – clients that have a track record of being fair and with sound financial standing are preferred. EEI also identified ways to expand its

contracting capacity to be able to increase its government contracts portfolio when there are favorable opportunities to do so and also possibly serve as a balancing force to EEI's non-government contracts portfolio. EEI is setting-up the single customer contract size limits. It is typical in the industry, here and abroad, that executing a construction project involves a certain amount of credit between us (the contractor) and the client. Though the client's down-payment is meant to provide working capital for the contractor, usually this is insufficient considering the fast-paced work, change orders, and timing difference between billing and collection. Thus, most of the time, a certain amount of work is being "financed" by the contractor and the probability of successfully collecting such is the risk. As we have undergone a significant increase in the number and size of projects that we are doing, the level of credit risk has also proportionately risen and should be given ample attention.

EEI closely monitors project cash flow and observe prompt billing. Other mitigating actions include ensuring that change orders are only executed with proper approval documents from the client to ensure collectability of the work, institutionalized due diligence of new clients during tender stage as part of KYC and created a team dedicated for this purpose, and negotiate for higher down-payment from the client.

e. Funding risk

With the infrastructure boom, EEI is expected to double or triple its existing backlog in the next three years. Fresh capital infusion may have to be injected for it to expand banking facilities and satisfy project funding requirements.

EEI enhanced its net contracting capacity through efficient collection of receivables and claim recoveries. EEI is also looking at entering into joint ventures with foreign RPCs who will contribute ODA funding assistance. Another option is to initiate capital infusion through stock rights issue and reinstatement of the employee stock option plan.

f. Interest rate risk

The Company relies heavily on bank borrowings to fund working capital between billing and collection. It is a company policy to actively explore cheap funding options with banks. To mitigate the risk, EEI exerts efforts to expand its facilities from banks to an optimum level, which have been successful and efforts to reduce debt levels are continuing.

g. Competition risk

Influx of new foreign contractors (mainly from China) is expected with the loosening of the local laws for foreign contractor entry into the local construction market. Our local competitors' tie up with specialty foreign contractors has also contributed to the intense competition in the market. EEI continues to focus on its core business where it has competitive advantage and has cemented its business relationship with its main customer base. On the other hand, negative market sentiments on Chinese products/service might mitigate this risk. EEI is also continuing with its initiative to enter into foreign markets with the help of its current and future foreign partners.

h. Succession planning

The retirement of our senior executive officers at the Construction Division including a few officers who either retired or left our subsidiary companies factors into our succession planning. Ensuring that proper control of operations and strategic direction remains intact and effective during the transition will be important. To mitigate this risk, vacant positions were promptly filled up with capable people. EEI continues to run extensive management development training programs to prepare the successors of the retiring managers.

i. Reputational Risk

Reputation Institute defines the reputation of an organization as the level of trust, admiration, good feeling, and overall esteem a stakeholder has for the company. This reputation is driven by the perception of our company on seven specific dimensions, where a loss of trust in any dimension will cause a reduction in reputation. Reputation Institute therefore describes a reputation risk as "A negative event that will reduce the perception of you delivering on expectations."

The company constantly monitor how stakeholders such as customers, regulators, key opinion leaders, employees and financial analysts perceive the company on the key dimensions of reputation. By understanding this perception, our company can identify the potential risks before they happen and mitigate them before they turn into full blown reputation crises.

j. Manpower sourcing

The construction boom in the Philippines has put considerable strain in the supply of human labor as various construction companies vie for their services. Although EEI's pool of workers is sufficient for the present amount of work, the anticipated award of new projects will require additional workers.

The capacity of EEI's recruitment group to acquire talents from various parts of the country has been supplemented by increasing their manpower complement. Efforts are now being done to make the deployment of our workers to various projects more efficient – that is, spot over-supply in certain areas and redistribute them to projects where they can be better utilized. In addition, training programs for zero-skilled applicants are being intensified to properly equip new recruits to work in our projects.

The use of technology and machines in lieu of human labor is also being explored.

k. Effects of Tax Reform

On-going discussions in the halls of government to further improve the tax landscape in the country has mixed benefits for our clients and potential clients. EEI has included escalation clauses in the contract provisions with clients. In addition, medium-term supply contracts have been arranged with major suppliers except for steel products where prices are expected to decline due to supply glut that may arise from the trade war between US and China.

l. Disruptive technology

The fourth Industrial Revolution is shaped by advanced technologies from the physical, digital and biological worlds that combine to create innovations at a speed and scale unparalleled in human history. Collectively, these transformations are changing how individuals, governments and companies relate to each other and the world at large. Players failing to adopt or even adapt to such changes may prove disastrous as they risk obsolescence.

During the year, EEI's Business Transformation Group has adopted Virtual Design and Construction (VDC) innovative technology in collaboration with a US based consultant. VDC leverages on the benefits of:

- (i) Building Information Model (BIM) Level 2 which provides visualization of the digital model and physical construction progress, and
- (ii) Common Data Environment (CDE) which enables coordination of project stakeholders under a single source of truth.
- (iii) Extensive use of advance drones in surveying and progress visualization.
- (iv) 4D planning using artificial intelligence.

m. Sustainability

The WEF 2014 report defines sustainability as "long-term economic development compatible with available natural resources and the preservation of natural environment." According to a GRI 2012 report, there are ten global social and environmental sustainability megaforces that are expected to drive and shape business operations until 2030. These are climate change, energy and fuel, material resource scarcity, water scarcity, population growth, wealth, urbanization, food security, ecosystem decline, and deforestation.

According to GRI-KPMG report, there are six types of risks companies face from social and environmental megaforces:

- Physical risk refers to damage to assets and supply chains from physical impacts such as storms, floods, water shortages and sea-level rise.
- Regulatory risk refers to complex and rapid changes to the regulatory landscape.
- Reputational risk refers to damage to corporate reputation from being seen to do the wrong thing.

- Competitive risk refers to impacts of fast-changing market dynamics, and uncertainty of supply and price volatility of key inputs.
- Social risks refer to conflicts, social unrest, community and worker protests, labor shortages, migration, etc.
- Legal or litigation risks refer to exposure to potential legal action, for example, over nondisclosure of environmental, social and governance information.

Since these megaforces are interrelated in a complex system, the company has started to integrate a systems approach to our sustainability strategy, manage risks to reduce long term costs, and capitalize on opportunities starting with corporate social responsibility and sustainability reports. Using GRI as framework, we will be better able to predict and manage risks emanating from sustainability-related dimensions of business and allow the company, among other benefits, to:

- Anticipate and prepare for issues in communities of operation
- Increase agility in process improvement
- Anticipate and prepare for future materials scarcity

n. Cyber security

Cybersecurity is about managing risk. Risk optimization and management, in turn, are about informed decision making. Therefore, the cybersecurity equation has two components: business enablement and asset protection. First, cybersecurity efforts must align with the enterprise governance framework by delivering on business strategy. Cyber risk is a critical business risk and thus an important element of enterprise governance. Second, I&T are key enterprise assets and must be protected on the basis of confidentiality, integrity and availability requirements. Cybersecurity must be considered within the larger context of enterprise governance, because information is vital to success in today's economy. Assessments on cybersecurity threats and equipment to protect against these attacks are continuously being monitored collaboratively with the Central SOC of YGC non-financial sector IT Security Group.

o. Data Privacy

The recently passed Data Privacy Law requires that personal and sensitive information of EEI's stakeholders held by the company be taken care of with utmost privacy. A breach of this requirement would mean stiff penalty and also possibly result to costly lawsuits that may tarnish our reputation. A committee has already been formed to spearhead the awareness for this requirement and implementation of necessary policies that protect personal data.

p. Operational risks

- General. The company's construction projects can generally be divided into 4 types: buildings, infrastructure, electromechanical, and industrial. Whatever the type of project, the operational risks that the company encounters can be categorized under the following types of risks: Estimation errors; issues with manpower; issues with equipment or tools; issues with materials; inefficiencies in EEI's performance during project execution; inefficiencies in client's and their nominated subcontractors' performance during project execution; site conditions that may affect the work; actions by third parties (i.e. the public at large or government) that may affect the work; and government approvals and right of way issues.

The operational risks that the company encounters from year to year changes only in its mix mainly depending on the mix of projects that are being executed. This is because the nature of the work in each type of project results to a different mix of operational risks.

To mitigate this risk, increased awareness by project risk owners of the risks and their impact on the projects and probabilistic forecasting to enable improved management of these external factors were implemented. Efforts to enhance the monitoring of project performance including the possible effects of all type of risk exposures are on-going and are expected to further improve the company's anticipation of risks and responses.

Future construction contracts are being negotiated by EEI to contain provisions that either transfer these externalities or at the very least provide a means of spreading or minimizing the risk. Risk mitigation also happens during the tender stage where EEI can decide to pursue or ignore a tender.

- Accidents. Possibility of accidents is a high risk for any of our projects and this has always been well-managed. However, the Company's portfolio of infrastructure projects (e.g. railways, elevated roads, metrorail transport system to name a few) have significantly increased recently. Such projects cannot be isolated from the general public as these are usually located within urbanized areas. There is heightened exposure of the public at large to accidents due to our construction activities.

A more stringent safety plan is being implemented in all of the projects particularly those involving infrastructure executed in public areas. Insurance policies, properly designed to sufficiently cover any damage to 3rd parties, are procured to protect the welfare of the general public and also the financial performance of the projects.

- Right of way and obstruction issues. Another standard risk of infrastructure projects is Right of Way (ROW) and obstruction issues that impede construction work resulting to delays and, possibly, costs overruns. Considering that our big-ticket infrastructure projects are mostly located in developed cities, the occurrence of such issues cannot be prevented.

Whenever possible, EEI taps the capabilities of our design team to explore and suggest redesign of the structure to the client in order to circumvent any ROW or obstruction issues. EEI also anticipates effects of possible ROW or obstruction issues and adjust the plan of the schedule so as to minimize its financial impact without necessarily compromising the project duration.

- Contractual issues. The construction contract is critical in any project's success and the proper understanding and implementation of its provision is key to having a harmonious relationship with the client. However, there is the risk that certain provisions may be vague or even onerous that can put the contractor at a significant disadvantage during disputes. These issues should be identified and properly resolved with the other party to prevent any problems later on.

EEI has made changes in our contracts management team and appointed a new Contracts Administrator to make the coordination between our legal department and project management team more effective in handling such issues. Lessons learned from past experiences with contractual issues enabled us to come up with a checklist of provisions that we should carefully look at to make sure that contracts are fairly stated and protect our interests. This checklist is part of the considerations made during contract review.

- Resource deployment mismatch. Inaccuracies in the forecast of available work coupled with misunderstanding of the parameter and lead time of mob and demob predisposes to inefficiencies of resources at site which eventually leads to overruns. To mitigate this, EEI apply unification of planning-risk modelling approach with BIM/ AWP-WFP/Optimization deployment initiative.

- Change order and claims risk. Success of our projects equally depend on our ability to recover our change orders and claims. Issues with the contract, contract management and efficiency of project execution may put this in jeopardy which may lead to overruns. To mitigate this risk, EEI collaborates with Contracts Management for contract review and administration during project execution. EEI also rolls out Building Information Model (BIM), Advance Work Package (AWP), Work Face Package (WFP) optimization initiative.

- Designer's risk. These are risks of wrong design including wrong estimate as part of EEI scope. To mitigate this risk, EEI established a risk transfer mechanism via insurance (i.e. PLI)

THE EDUCATION SECTOR

iPeople, inc. ("iPeople") is the holding company under House of Investments that drives investments in the education sector. iPeople is a publicly listed company on the Philippine Stock Exchange (PSE:IPO). iPeople wholly owns Mapúa University, which owns three other operating schools: Malayan Colleges Laguna, Malayan Colleges Mindanao and Malayan High School of Science.

On May 2, 2019, the merger by and between iPeople and Ayala Corporation's wholly-owned subsidiary, AC Education, Inc. ("AC Education") was completed. iPeople is the surviving entity, with House of Investments and its affiliates, and AC, controlling 51.3% and 33.5%, respectively. With the merger, iPeople has become one of the leading education groups in the country, with almost 60,000 students. The merger folded into the iPeople network the three schools of AEI namely: Affordable Private Education Center, Inc. ("APEC Schools"), University of Nueva Caceres ("UNC") and National Teachers College ("NTC").

The operating schools under the iPeople network are as follows:

- (1) **Malayan Education System, Inc. (Operating under the name of Mapúa University).** Mapúa University is widely considered as the leading and largest private engineering and technological university in the Philippines. Don Tomas Mapúa, the first registered Filipino architect, founded Mapúa Institute of Technology on January 25, 1925. It was acquired in 1999 by the YGC, which brought the school into the global and digital age. Mapúa operates in two (2) major campuses: its main campus in Intramuros and its extension campus in Makati. Mapúa University's commitment to its philosophy of Outcomes-Based Education has earned the institution the reputation of being the leader in providing quality education in the country, especially in the field of engineering and information technology.
- (2) **Malayan Colleges Laguna, Inc., A Mapúa School ("MCL")** is a wholly-owned subsidiary of Mapúa University located in Cabuyao, Laguna, alongside several science and industrial parks. MCL was established to extend the brand of the Mapúa Institute of Technology to the south by offering programs in engineering and architecture, accountancy, business, communication, computer science, hospitality management, information technology, maritime education, and multimedia arts to students who prefer to stay closer to home. With 21 baccalaureate programs, MCL has five degree-offering colleges, namely College of Arts and Science, College of Computer and Information Science, E.T. Yuchengco College of Business, Mapúa Institute of Technology at Laguna, and the Mapúa-PTC College of Maritime Education and Training. In 2016, MCL also opened its doors to Senior High School (SHS) students, offering a total of six strands under the Academic and the Technical-Vocational-Livelihood Tracks. After thirteen years of operation, MCL was granted Autonomous Status by the Commission on Higher Education last October 2019, as per CHED Memorandum Order No. 12, Series of 2019. Given this, MCL will be offering two new programs, B.S. Business Administration and B.S. Psychology, starting Academic Year 2020-2021. To date, there are 6,101 students under both college and SHS with 44% percent of its college students enrolled in engineering programs.
- (3) **Malayan Colleges Mindanao (A Mapúa School), Inc. ("MCM")** is a wholly-owned subsidiary of Mapúa University. Incorporated in 2015, MCM was established to offer Mapua-education in Davao and Mindanao. MCM looms along General Douglas MacArthur Highway in Matina, Davao City, and opened its doors to senior high school and college students last July 2, 2018. MCM has built a community of competent and innovative leaders who possess attributes that make them globally competitive and locally in-demand, distinguishing itself from the rest through these important facets in its educational system: Learner-Centered Outcomes-Based Education, Blended Online and Face-to-Face Learning Sessions, Industry Partnerships, Mindanao-Centric Learning, and Advanced Learning Facilities. Within MCM's DNA is the academic excellence that Mapúa is known for, and MCM is committed to bring about the same level of excellence into its community in Mindanao.
- (4) **Malayan High School of Science, Inc. ("MHSS")** is a wholly-owned subsidiary of Mapúa University. MHSS is a science- and math-oriented high school located in Pandacan, Manila. Modeled after similar but publicly funded science high schools, MHSS offers a rigorous academic program geared towards graduating hard-working, mathematical and scientific-trained students that will excel in their university studies and beyond. The school is focused on optimizing student-to-teacher time and currently has 237 students. MHSS has a top-notch faculty, state-of-the-art facilities, and a curriculum that will allow students to "fully express not only their scientific inclinations but also their artistic bent."

- (5) **The University of Nueva Caceres (UNC)**, the first university in Southern Luzon, traces its humble beginning with the benevolence of Dr. Jaime Hernandez, former Secretary of the Department of Finance, as his way of giving back to the Bicolano community. In February 1948, Dr. Hernandez together with other prominent Bicolanos, formed the Nueva Caceres College, and in 1953, the school attained University Status. In July 2015, the University of Nueva Caceres partnered with Ayala Corporation through Ayala Education, Inc to further enhance the quality of education through industry and technology driven innovations. Currently, the University offers complete basic education, four programs in the College of Arts and Sciences, thirteen in the College of Business and Administration, five in the College of Computer Studies, thirteen in the College of Education, six in the College of Engineering, Nursing Course, Criminal Justice Education, Juris Doctor, and three Doctorate and fifteen Masters Degree programs in the Graduate Studies department. UNC endeavors to fulfill its tri-focal function of instruction, research, and extension while making education accessible and affordable. The battle cry “from first to number one” summarizes UNC’s goals of excellence in quality, access, relevance, and responsiveness. UNC aims to be known not only as the first university in Bicol, but to be the Number 1 university in terms of employability of graduates
- (6) The **National Teachers College (Doing Business Under the Name of the National Teachers College)** was founded by Dr. Segundo M. Infantado, Sr., a former Director of Public Instruction of the Philippines and Dr. Flora Amoranto-Ylagan, one of the country’s leading educator. NTC was officially incorporated on September 29, 1928 and was authorized by the Department of Public Instruction on April 17, 1929 to operate as an educational institution. Its doors opened to the student public on June 10, 1929 and was granted government recognition on February 17, 1930. NTC was the first Higher Education Institution (HEI) in the Philippines to offer collegiate programs dedicated to teacher education. Among private educational institutions in the Philippines, it has attained a pre-eminent place in educational leadership, particularly in the field of teacher education. Its performance in the Licensure Examination for Teachers is always above the national passing rate. With a student population of close to 13,000, NTC continues to perform its share in educating and training teachers, administrators, supervisors, and other professionals who will serve in the interest of the Republic of the Philippines and the world at large.
- (7) **Affordable Private Education Center, Inc. (Doing Business Under the Name of APEC Schools)** was founded in 2013 with the vision of providing affordable but quality private education to thousands of Filipinos. Its mission then was to prepare its students for college, employment or both. It is a chain of private high school that offers K-12 program of the Department of Education. Started with only 130 students in 2013, APEC Schools has expanded to 23 branches with more than 15,800 students and almost 800 employees. In 2016, APEC Schools offered Senior High School with the Accounting Business Management (ABM) strand, and Accelerated Career Experience, its own job immersion program developed with employer partners. In 2018, APEC Schools celebrated its 5th year anniversary and graduated the first batch of 2,000 Senior High School students. Most students have gone on to top colleges and universities, while 15% have gone on to be employed within three months of graduation.

Risk Factors related to School Operations

- a. Regulatory, recognition of academic programs, and accreditations from government, and selfregulating private accreditation organizations.
- Accreditations. The schools are governed and regulated by the Commission on Higher Education (“CHED”) and by the Department of Education (“DepEd”), depending on the program offerings. In addition, MESI and MCL are also accredited by PACUCOA. MESI is also accredited by the ABET; MESI and MCL are both accredited by PTC-ACBET and PICAB. APEC has a MOA with DepEd which allows the company to operate schools without owning the premises. There is a pending Revised DepEd Manual which will formalize this exception.
- The failure of any of our schools to pass government standards, or to meet accreditation renewal standards, may negatively impact the perception of the quality of our academic programs and facilities. If this happens, we might expect our enrolment to decrease, which would have an adverse impact to our profits and cash flow.

- Tuition Fee. The CHED and the DepEd regulates tuition increases at the university level and the secondary level, respectively, and routinely sets maximum limits on percentage increases in tuition fees. This regulation applies to our non-autonomous schools, MCM, UNC, NTC and APEC. The inability of non-autonomous education institutions to increase tuition fees to cover higher operating costs may pose a risk to profits and cash flows over time
- Changes in regulations. The Universal Access to Tertiary Education Act (RA10931) had its implementation in AY 2018-19. This resulted to notable decline in college freshman intake in private schools as large portion of the incoming freshman applied to SUCs/LUCs to avail of free education under the Act. The Free College Education Act poses a risk to our schools. This may adversely impact enrollment numbers if prospective students will opt to enroll in state-run universities and colleges.

b. Competition

- Faculty. The schools depend on high quality faculty to teach the educational programs. To the extent that they can, the schools at both the tertiary and secondary level recruit faculty with excellent academic credentials and teaching skills. The schools might not be able to recruit the desired faculty due to any number of factors, including mismatches between the desired compensation and offer; competing recruitment from other educational institutions; or candidates seeking opportunities abroad.

The schools also work to retain key faculty in certain academic disciplines in order to maintain continuity and reduce turnover. If recruitment and retention efforts suffer, the quality of teaching and the quality of academic programs might suffer.

- Students. Competition among schools for greater student enrolment is fierce. Mapua is an established brand, with ISO 14001:2015 and 9001:2015 certifications, while the other IPO schools are establishing or have established their own brands.
- Accreditations. IPO Schools continue to pursue accreditations from self-regulating private accreditation organizations in addition to the government accreditation bodies

c. Credit Risk

As the schools increase their enrollment, the level of receivables also increases. Some of the students who cannot afford to make the full payment of tuition and miscellaneous fees during an academic term execute a Promissory Note and are expected to settle their accounts prior to the start of the next academic term. Majority of the senior high school students of APEC avail of the Senior High School Voucher Program (SHSVP) of the DepEd which results to a longer collection period for the school.

The schools do not aggressively pursue collection of defaulted student debt given that the default rate is small. Regardless, the schools face a risk that a rise in student defaults on promissory notes would impact profits and cash flows negatively.

d. Operational Risk

The following may hamper the operations of the IPO schools:

- Natural calamities and disasters. Our schools, like many other enterprises, are subject to adverse occurrences beyond our control, which include (but are not limited to) earthquakes, floods, and similar natural phenomena. We believe we carry enough insurance to hedge against the monetary damages caused by these events. In the event that the damage to our facilities arising from said events are severe and our insurance is not enough to cover it, our operations and ability to return to normal conditions might be severely affected.
- Labor unrest. Mapúa University has two unions, Faculty Association of MIT (FAMIT) and MIT Labor Union (MITLU). The other iPeople Schools have none.

Mapúa University is bound by the collective bargaining agreement (CBA) signed between the institution and the two unions. Mapúa University negotiates with each

union separately. The FAMIT represents the faculty members. The MITLU represents the non-teaching staff. To the extent that unions negotiate CBA's with higher increases over time, this would negatively impact the cost structure of Mapúa University and lower the expected value of its profit and cash flows over time. Furthermore, in the event that a CBA is not negotiated successfully or there is an issue that results in labor unrest or a strike, it could have a material adverse impact on the operations of Mapúa University.

In the event of calamities, strikes, pandemic events, and the like that could hamper the operations of the schools, IPO and all schools have their respective protocols and procedures to manage each particular type of risk. In particular, Mapúa has tested and instituted the use of online facilities such as Blackboard, its learning management system, that enables the school to conduct real-time online classes and facilitates online learning on a school-wide level. This enables the school to continue its classes with minimal disruption. Mapua also has a fully online post-graduate degree courses, implemented online admissions and examinations, and uses e-books instead of traditional school textbooks for all undergraduate and Senior High School students through subscriptions to Wiley and Cengage.

Online learning is likewise being adopted by the other IPO schools through the use of online tools and facilities that approximate a learning management system. Work-from-home arrangements, videoconferencing for meetings and online facilities may also be used to transact business and to ensure operations are not hampered during calamities and pandemic events.

e. Interest Rate Risk

The schools need capital to grow. All of our schools pursue growth opportunities, which may involve any of the following actions: building new teaching and non-teaching facilities at existing campuses; building campuses at new locations.

In order to grow, the schools will need funding. Fund raising can arise from the sale of equity, selling debt securities or bank borrowing. If capital is raised through borrowings, the IPO schools will be subject to interest rate risk. An increase in our negative carry will also adversely impact our profitability.

f. Market Risk and Political Risk

In the event that adverse economic factors hit the country, that may force a subset of students to temporarily drop out and continue their education at a later time, permanently stop school, or transfer to another school. Our student enrolment may be negatively impacted and this will have a negative effect on our profitability.

Since a certain portion of the student population depends on family members who are Overseas Filipino Workers to pay for their tuition and miscellaneous fees. International relations of the Philippines with the employer countries may impact the size and frequency of inward-bound overseas remittances thereby affecting student enrollments.

g. Campus Safety and Security Risk

The potential presence of criminal elements outside the schools pose a risk to our students, especially those who take public transportation. In the event that criminal elements are able to force their way into the schools, the students may lose confidence in the administration's ability to keep them safe. Student enrolment may be negatively impacted and this will have a negative effect on our profitability. IPO manages this by enforcing security measures such as having guards at entrances and exits, roving guards, and CCTV.

PROPERTY MANAGEMENT SERVICES

LANDEV CORPORATION

House of Investments, Inc. wholly owns Landev Corporation. Landev Corporation is primarily engaged in property management and project management for the YGC. In 2019, Its large contracts include:

- Property management for RCBC Plaza, RCBC Savings Bank Corporate Center, Y Tower 1 and 2, and ETY Building;
- Facilities management for RCBC and RCBC Savings Bank branches nationwide; and
- Project management for the construction of the new Mapúa Makati campus and the renovations of National Teachers' College.

GREYHOUNDS SECURITY AND INVESTIGATION AGENCY

Landev wholly owns a subsidiary named Greyhounds Security and Investigation Agency. GSIA provides comprehensive security services to leading institutions like RCBC Plaza, RCBC Savings Bank Corporate Center, all RCBC branches, and RCBC Savings Bank.

RCBC REALTY CORPORATION

House of Investments owns 10% of RCBC Realty Corporation, which owns the YGC flagship property, RCBC Plaza.

The RCBC Plaza is the biggest and most modern office development in the Philippines today. Inaugurated in 2001, the complex consists of the 46-storey Yuchengco Tower, 41-storey Tower 2, and a three-level podium. Also housed in RCBC Plaza are the 450-seat Carlos P. Romulo Auditorium, the Yuchengco Museum, a 200-seat chapel, a VIP lounge, banking chambers, convenience and service shops, food court, seven-level basement parking, gym and health spa, and open-air courtyard. YGC members such as the RCBC and AY Foundation hold their offices here.

RCBC Plaza is the first IT zone in Makati designated by the Philippine Economic Zone Authority.

In May 2018, RCBC Plaza received its Leadership in Energy and Environmental Design (LEED) EBOM Gold certification, making it the first multi-tenanted building in the Philippines to achieve the prestigious certification. LEED is a certification program designed by the US Green Building Council (USGBC) and has become the most widely used green building rating system to assess environmental compliance in terms of sustainability, energy conservation, water reduction, air quality and materials, and resources.

Risk Factors at the Property Services

a. General Economic Conditions

The success of our business is significantly related to general economic conditions and accordingly, our business could be harmed by an economic slowdown and downturn in commercial real estate. Periods of economic weakness or recession, significantly rising interest rates, declining employment levels, declining demand for commercial real estate, falling real estate values, or the public perception that any of these events may occur, may negatively affect the performance of some or all of our business lines.

These economic conditions can result in a general decline in disposition and leasing activity, as well as a general decline in the value of commercial real estate and in rents, which in turn reduces revenue from property management fees and commissions derived from property sales and leasing.

b. Credit Risk

Our business efficiency is highly dependent on our ability to manage our working capital well. If we experience delays in collections of accounts receivable, there will be an impact on the availability of funding for our day-to-day operations.

c. Operational Risk

The success of our business depends on how smoothly we manage the operations of the properties and projects under our management. If we do not successfully manage our existing operational and administrative staff, we may not be able to achieve the anticipated gross margins, service quality, overtime levels and other performance measures that are important to our business, financial condition and results of operations.

Our operations can be challenged by machinery breakdowns, obsolescent parts, logistics and/or manpower shortages or property losses due to fire, adverse weather conditions, earthquakes, and militant activities e.g. rallies and strikes, among others. In addition, our

business is subject to substantial risk of loss resulting from: claims by employees, customers, and third parties for personal injury or property damage; and fines and penalties in connection with alleged violations of regulatory requirements. To mitigate these risks, the company ensures that both the client and the company have adequate insurance.

d. Litigation Risk

We are subject to litigation risks and may face liabilities and damage to our professional reputation as a result of litigation allegations and negative publicity.

In our property and facilities management business, we supervise third-party contractors to provide construction services for our managed properties. While our role is limited to that of an agent for the owner, we may be subject to claims for construction defects or other similar actions.

e. Competition

We compete across a variety of business disciplines within the commercial real estate services industry, including commercial property and corporate facilities management, leasing, and security services. We face competition from other commercial real estate and security service providers, including outsourcing companies that traditionally competed in limited portions of our facilities management business and have recently expanded their offerings, in-house corporate real estate departments, and developers.

- Service Contracts. Competitive pressures in the security services sector may prevent us from increasing our billing rates on contract anniversary or renewal dates. Our profitability will be adversely affected if, due to inflation or other causes, including increases in statutory payroll taxes, we are compelled to increase the wages, salaries and related benefits of our employees in amounts that exceed the amount that we can pass on to our customers through increased billing rates charged under our service contracts.
- Recruitment and Retention. Our business involves the labor-intensive delivery of our services. We derive our revenues through the services rendered by our employees. Our future performance depends in large part upon our ability to attract, train, motivate and retain our skilled operational and administrative staff.
The loss of the services of, or the failure to recruit, the required complement of security, operational and administrative staff would have a material adverse effect on our business, financial condition and results of operations, including our ability to secure and complete security service contracts.

f. Regulatory Risk

If we fail to comply with laws and regulations applicable to us in our role as a property/facility manager, we may incur significant financial penalties.

We are also subject to a large number of national and local laws and regulations that apply to security agencies and their guards. Any liability we may have from our failure to comply with these regulations may materially and adversely affect our business by restricting our operations and subjecting us to potential penalties.

g. Environmental Liability

We may be subject to environmental liability as a result of our role as a property or facility manager or developer of real estate. Various laws and regulations impose liability on real property owners or operators for the cost of investigating, cleaning up or removing contamination caused by hazardous or toxic substances at a property.

If we fail to disclose environmental issues, we could also be liable to the owner or lessee of a property. Negligence or oversight leading to liabilities incurred by the property owner could adversely result to non-renewal of our contract.

- h. Professional Liability
In many cases, our service contracts require us to indemnify our customers or may otherwise subject us to additional liability for events occurring on customer premises. To manage the risk, we ensure that our clients maintain Comprehensive General Liability Insurance.
- i. Changes in Technology
Technological change that provides alternatives to property services or that decrease the number of personnel to effectively perform their services may decrease our customers' demand for our services. A decrease in the demand for our property services or our inability to effectively utilize such technologies may adversely affect our business, financial condition and results of operations.

Item 2: Properties

The office space used by House of Investments belongs to an affiliate. As a holding company, the Company does not use large amounts of office space. The car division uses leased properties to sell and service vehicles. Each dealership site has lease contracts with their respective landlords. The only exception to this is the property used by Honda Cars Quezon Avenue, which is owned by House of Investments.

The following summarizes information on House of Investments and subsidiaries real property ownership as of June 30, 2020.

PROPERTY DESCRIPTION	DATE ACQUIRED	TYPE
HOUSE OF INVESTMENTS, INC.		
Quezon Avenue	2002	Industrial
EI CORPORATION		
Talayan, Q.C.	2002	Warehouse
Itogon, Benguet	1985	Residential (Monterazza)
Nueva Ecija	1997	Agricultural
Bulacan	1997	Agricultural
Golden Haven Memorial - Las Pinas	2003	Memorial Lots
San Jose, Sta Maria, Bulacan	2005	Industrial
Minuyan, San Jose del Monte, Bulacan	2005	Agricultural
Minuyan, San Jose del Monte, Bulacan	2005	Cogon/Agricultural
Bauan, Batangas	2012	Fabrication Shop
EI CONSTRUCTION AND MARINE, INC.		
Silang, Cavite	2010	Fabrication Shop
EI REALTY CORP. CORPORATION		
Trece Martires, Cavite	1995	Residential
Trece Martires, Cavite	1995	Industrial
Trece Martires, Cavite	1995	Developed Residential
Calamba, Laguna	1995-96	Residential
Marikina - Suburbia East	1999	Residential
EQUIPMENT ENGINEERS, INC.		
Itogon, Buenguet	2006	Residential
Irisan, Benguet	2009	Residential
GULF ASIA INTERNATIONAL CORPORATION		
General Trias, Cavite	1998	Residential
EI POWER CORPORATION		
Tagum City, Davao Del Norte	2013	Industrial
MALAYAN EDUCATION SYSTEM, INC.		
Intramuros, Manila	1999	School campus
Intramuros, Manila	2013	Vacant lot for expansion
Sta. Cruz, Makati City	2018	School Campus (Bldg. under construction)
MALAYAN HIGH SCHOOL OF SCIENCE, INC.		
Paco, Manila	2002	School campus
MALAYAN COLLEGES LAGUNA, INC.		
Cabuyao, Laguna	2010	School campus
Cabuyao, Laguna	2012	Vacant lot

PROPERTY DESCRIPTION	DATE ACQUIRED	TYPE
MALAYAN COLLEGES MINDANAO, INC.		
Ma-a, Davao	2015	School campus
Ma-a, Davao	2018	School campus
NATIONAL TEACHERS COLLEGE		
Quiapo, Manila	2019	School Campus
Quiapo, Manila	2019	School Campus
Quiapo, Manila	2019	School Campus
UNIVERSITY OF NUEAVA CACERES		
J. Hernandez Ave., Naga City	2019	School Campus
AC COLLEGE OF ENTERPRISE AND TECHNOLOGY, INC.		
San Jose del Monte City, Bulacan	2019	Vacant Lot
SAN LORENZO INVESTMENT HOLDINGS AND SERVICES, INC.		
Sen. Gil Puyat Ave., Makati	2019	School campus

The following details the properties that House of Investments and subsidiaries have leased:

PROPERTY DESCRIPTION	LOCATION	LEASE EXPIRATION
HOUSE OF INVESTMENTS, INC.		
Dealership	Paco, Manila	2026
Dealership	Paco, Manila	2026
Dealership	Marikina	2020
Dealership	Commonwealth, QC	2020
Dealership	Commonwealth, QC	2021
Dealership	Marcos Highway	2023
Dealership	Greenhills	2028
HONDA CARS KALOOKAN, INC.		
Dealership	EDSA, Caloocan	2033
Dealership	Mandaluyong	2022
AFFORDABLE PRIVATE EDUCATION CENTER, INC.		
Office	Head Office	2024
School campus	V. Luna	2028
School campus	Dona Juana	2024
School campus	North Fairview	2027
School campus	C. Raymundo	2027
School campus	C. Raymundo v.1	2026
School campus	Marikina Heights	2020
School campus	Grace Park West	2027
School campus	Tondo	2028
School campus	Tondo (Annex)	2025
School campus	Muntinlupa	2021
School campus	Sta. Rita Sucat	2025
School campus	Dasmariñas	2027
School campus	Bacoor-San Nicolas	2020
School campus	Bacoor-Molino	2029
School campus	G. Tuazon	2021
School campus	Roxas Boulevard	2029
School campus	Pateros	2028

PROPERTY DESCRIPTION	LOCATION	LEASE EXPIRATION
School campus	Taytay	2020
School campus	Ortigas Ext., Cainta	2027
School campus	Calumpang-Annex	2028
Building	España	2029
Building	JRU Lipa	2021
Building	Las Piñas	2026
Building	Concepcion Dos	2026
Building	New Manila	2021
Building	San Pablo	2029

Certain properties, machinery, equipment, and other fixed assets of the group are used to secure loans payable and long-term debt from various banks and other financial institutions. These consist mainly of mortgages on various assets of MES and EEI.

For additional details on the Group's loans payable and long-term debt and the corresponding encumbrances on their assets, refer to the notes related to loans payable, and to the notes related to long term-debt in the Consolidated Financial Statements.

The principal assets reflected in the consolidated balance sheets are registered mainly under the Company and its main subsidiaries that are engaged in construction and infrastructure, education, and car dealership. As a holding company, House of Investment's indirect ownership on the said properties covers/applies only to the extent of, and is limited by the amount of holdings it has in these subsidiaries.

Item 3 – Legal Proceedings

EEI has not been involved in any legal proceeding for petition for bankruptcy, insolvency, or receivership. No judgment or resolution have been issued against any Director or Officer which would materially affect their ability or put into question their integrity to serve in their current position. The Corporation is involved in various cases the final resolution of which will not have any material effect on the continued operation or financial position of the Corporation.

Mapúa University is involved in certain disputes that arise in the ordinary conduct of business. Management believes that these suits will ultimately be settled in the normal course of operations and will not adversely affect the subsidiaries' financial position and operating results.

Item 4 - Submission of Matters to a Vote of Security Holders

The following matters will require the vote of the Company's stockholders owning more than 2/3 of the outstanding number of shares during the Annual Stockholders' Meeting on 17 August 2020:

- a. Amendment of Article First of the Articles of Incorporation and the By-laws to reflect the amendment in the corporate name of the Company
- b. Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company

2. Management Discussion and Analysis of Financial Condition and Results of Operations

CONSOLIDATED RESULTS

Year 2019 vs. 2018

INCOME STATEMENT

The Group registered a 42% growth in net income, from P1,164.28 million in 2018 to P1,649.45 million this year.

Total revenues grew by 6%, from P32,346.34 million to P34,129.84 million, primarily because of increase in construction revenues driven by the robust production levels of infrastructure projects of EEI; coupled with higher revenues from education segment brought about by (a) higher number of enrollees; (b) full 9-month operations of Malayan Colleges Mindanao (“MCM”) compared to just 2 months last year; and (c) contributions from newly acquired subsidiaries of iPeople as a result of the merger effective May 2, 2019. On the other hand, the car dealerships registered an 8% drop in revenues due to increased competition which resulted to lower number of vehicle units sold.

Equity in net earnings of associates increased from P255.78 million to P727.82 million primarily because of higher intake from Al-Rushaid Construction Company, Ltd. (a foreign affiliate of EEI).

General and administrative expenses increased by 6%, from P2,651.24 million to P2,818.97 million, primarily attributable to (a) payment of Capital Gains Tax relative to the sale by the Parent Company of its direct investment in Mapua to iPeople; (b) increase in the number of personnel to support the growing business of the group; (c) depreciation of newly constructed/renovated school campuses; and (e) expenses of the newly acquired companies of iPeople group. Interest and finance charges increased due to new loans obtained by the Group to finance its existing projects and developments costs. Also, the adoption of the new accounting standard on Leases, PFRS 16, contributed P79.5 million in interest cost this year.

BALANCE SHEET

Consolidated total assets stood at P52.0 billion against P39.60 billion last year.

Total current assets increased by 42%, from P16.09 billion last year to P22.83 billion, whereas the total non-current assets increased by 24%, from P23.50 billion to P29.16 billion.

The significant movements of the balance sheet accounts are brought about by the Group’s adoption of PFRS 16 (Leases) effective January 2019 and the consolidation of newly acquired subsidiaries resulting from the merger of AC Education into iPeople effective May 2, 2019.

Cash and cash equivalents increased from P2.04 billion to P2.69 billion mainly because of iPeople’s new subsidiaries coupled with collection of progress billings and retention receivables from various completed domestic projects of EEI. Receivables were higher due to billed trade receivables of EEI, timing of start of classes of the schools and contribution of the newly acquired subsidiaries of iPeople. Contract assets, which is composed of unbilled production and net retention receivables, registered a significant growth this year due to higher construction activities of EEI. Receivable from related parties was lower by P74.73 million due to payment of an affiliate. Inventories dropped by 12% as a result of lower inventory held by car dealerships. Prepaid expense and other current assets, which includes unutilized input and creditable withholding taxes of the Group, increased from P1.46 billion to P1.98 billion primarily because of increased advances to suppliers and contractors of EEI.

Total noncurrent assets at P29.16 billion from P23.51 billion last year, includes assets of the entities acquired by iPeople.

Equity investments grew from P0.97 billion to P1.15 billion primarily because of the increase in the valuation of the unquoted shares of EEI in Hermosa Ecozone Development Corporation in compliance with PFRS 9.

Investments in associates and joint ventures grew by 12% due to investment in Sojitz G Auto Philippines Corporation, wherein the Parent company has 20% stake, coupled with higher equity earnings intake for the period. Increase in property and equipment at cost and revalued pertains mainly to assets of the newly acquired subsidiaries of iPeople as a result of the merger with AC Education, Inc. Right of use asset is a result of adoption of the new accounting standard, PFRS 16. Retirement assets dropped due to higher cost recognized for the year as a result of higher headcount and lower discount rate. Deferred tax asset pertains mainly to the tax effect of remeasurement loss on defined benefit plans of the Group. The reduction in other noncurrent assets pertain mainly to collection of the outstanding receivables of EEI.

Consolidated total liabilities increased from P21.43 billion to P28.50 billion.

Total current liabilities increased from P18.58 billion to P20.30 billion. Loans payable dropped as a result of the conversion of loans of iPeople to a longer term, coupled with payments of matured loans. Increase in accounts payable and accrued expenses pertain to heightened production activities of EEI which resulted to increased billings from various subcontractors and suppliers. Income tax payable increased by P32 million as a result of higher taxable income of the Group. Due to related parties mainly pertains to foreign currency adjustment in relation to EEI's account in ARCC. Current portion of lease liability resulted from the new accounting standard, PFRS 16, wherein present value of operating leases is recorded in the books of the Company.

Total noncurrent liabilities increased from P2.85 billion to P8.20 billion. Increase in long term debt pertains mainly to reclassification of iPeople's short-term loan to long-term loan. Accrued retirement liability increased significantly due to higher actuarial losses recognized for the year as a result of lower discount rate compared to last year. Increase in deferred tax liabilities is related to the revaluation increment on land of the Group, including the properties of the newly acquired companies of iPeople. Noncurrent lease liability pertains to recognized liability on the remaining lease term of the group in compliance with PFRS 16. Other noncurrent liabilities pertain mainly to contract obligations of EEI on projects with completion date beyond one year after balance sheet date.

Consolidated equity grew from P18.17 billion to P23.49 billion, of which P14.744 billion is attributable to the Parent Company. Reduction in preferred stock and increase in common stock is attributable to the conversion of preferred shares of the Parent Company. Equity reserve on acquisition of noncontrolling interest pertains to the difference in acquisition cost and par value of the EEI shares acquired by the Parent Company, as well as the result of the dilution of its ownership interest in iPeople. Reduction in revaluation increment pertains to re-attribution of the Parent Company's share in iPeople to noncontrolling interest, as a result of the merger. Changes in fair value of equity investments carried at FVOCI is higher due to the increase in fair market value of investment in Hermosa Ecozone Development Corporation.

Total consolidated retained earnings increased from P9.20 billion to P10.11 billion.

Year 2018 vs. Year 2017

INCOME STATEMENT

The Group registered a net income after tax of P1.16 billion against P1.46 billion in 2017.

Total revenues grew by 17%, from P27.55 billion to P32.31 billion, primarily because of increase in construction revenues as a result of higher construction activities of on-going domestic projects of EEI. This was softened, however, by lower revenues from both the education and the car dealership segments. For the year, the car dealerships registered a 29% drop in revenues due to lower number of vehicle units sold. Likewise, the education segment showed a decline compared to last year due to combined effects of change in academic calendar year and lower average number of students.

Other income is lower this year primarily because of the following: (a) recognition of gain on sale of its investment property amounting to P270 million in 2017; (b) reversal of long outstanding payables amounting to P79 million, also in 2017; and (c) reclassification of the dealer's income and commission income to Revenues, as a result of adoption of PFRS 15 effective this year. Equity in net earnings

dropped by 12% primarily because of the Group's share in the net losses of one of its associates, Al-Rushaid Construction Company, Ltd. (ARCC).

General and administrative expenses increased by 14% primarily due to: (a) provision for probable losses on consultancy fee receivable under the construction segment amounting to P325 million, (b) increase in taxes and licenses due to higher DST, resulting from additional loans obtained by the Group coupled with increase in tax rates upon implementation of the TRAIN law; and (c) increase in rent and utility expenses. Interest expenses increased by 65% due to increase in loan level coupled with increase in interest rates. Provision for income tax is higher by 26% due to higher taxable income posted by the Group during the year.

BALANCE SHEET

Consolidated total assets stood at P39.60 billion against P37.35 billion last year.

Total current assets dropped by 9%, from P17.73 billion last year to P16.09 billion, whereas the total non-current assets increased by 20%.

The significant movements in the following accounts are brought about by the Group's adoption of the new standards, PFRS 9 (Financial Instruments) and 15 (Revenue from Contracts with Customers), effective January 2018:

- Receivables, due to reclassification of retention receivables of EEI to a new account, Contract Assets (for the current portion) and to Other non-current assets (for the non-current portion);
- Contract assets, a new account upon adoption of PFRS 15, which represents all construction work-in-progress, including the portion retained by the customer;
- Costs and estimated earnings in excess of billings on uncompleted contracts, the old account description prior to adoption of PFRS 15, which included unbilled production and uninstalled materials;
- Inventories, which now includes uninstalled materials;
- Equity investments at fair value through other comprehensive income, formerly presented as Available for Sale Financial Assets, which represents the Group's total investments at its fair value. Prior to PFRS 9, the unquoted equity investments of the Group are measured at its cost.
- Deferred tax assets, due to the tax effect on the recognition of allowance for impairment on receivables relative to adoption of PFRS 9.

Receivable from related parties is lower compared to last year due to improved collections of an EEI subsidiary from other YGC entities. Prepaid expenses and other current assets increased due to higher unutilized input value added tax and creditable withholding taxes of the Group.

Investments in associates and joint ventures increased by 14% mainly due to the additional shares of Petroenergy Resources Corporation (PERC) purchased by the Parent Company amounting to P332.60 million. Increase in property and equipment pertains mainly to acquisition of machinery, tools and equipment intended for newly awarded domestic projects of EEI, and the increase in the market value of the Group's real properties.

Consolidated total liabilities increased from P21.0 billion to P21.43 billion.

The Group's adoption of PFRS 9 and 15 resulted to the following changes:

- Introduction of a new account, Contract Liabilities, which represents the consideration received by the Group before it transfers goods or services to its customers. For this period, the Contract Liabilities presented in the Group's Statement of Financial Position represent its unearned tuition fees and customers' deposits;
- Reclassification of Billings in Excess of Costs and Estimated Earnings to Contract Liabilities. This account represents the unrecouped portion of the down payment paid by the customers on construction contracts. For this period, the total transaction amount has been offset against the Contract Assets.
- Increase in deferred tax liabilities, which represent taxes related to change in measurement of the Group's investment in unquoted securities, from cost to fair value.

Total current liabilities increased from P18.10 billion to P18.58 billion primarily due to additional loans obtained by the Group to finance the new projects of EEI and the on-going construction in P.Ocampo property, as well as to settle the outstanding development costs of Malayan Colleges of Mindanao. Increase in accounts payable and accrued expenses pertain to increased production activities of EEI thereby incurring higher billings from subcontractors and suppliers. Current portion of long term debt is higher due to additional borrowings of EEI to fund its operational requirements. Income tax payable increased by P20 million as result of higher taxable income incurred by the Group. Due to related parties mainly pertains to foreign currency adjustment in relation to EEI's share in ARCC's income tax and other administrative fees.

Total noncurrent liabilities decreased from P2.90 billion to P2.85 billion. Reduction in long term debt pertains mainly to net impact of the partial settlement of the Parent Company of its loans. Reduction in other noncurrent liabilities was due to reclassification of deferred VAT output to accounts payables and accrued expenses account.

Consolidated equity grew from P16.35 billion to P18.17 billion, of which P12.43 billion is attributable to the Parent Company. Reduction in preferred stock represents the regular redemption of the Parent Company. Revaluation increment represents the increase in the fair market value of the Group's real properties based on the recent valuation reports. Cumulative translation adjustment pertains mainly to exchange differences arising from the translation of financial statements of the foreign subsidiary, EEI BVI, whose functional currency is the United States dollar and foreign associate, ARCC with functional currency of Saudi Arabia Riyal. Retained earnings grew from P8.41 billion to P9.20 billion.

Year 2017 vs. Year 2016

INCOME STATEMENT

The Group posted a net income after tax of P1.46 billion vis-à-vis the P0.22 billion in 2016. The increase is attributable to improved performance in the automotive segment and of one of the associates of the Group, Al-Rushaid Construction Company, Ltd (ARCC).

Total revenues grew by 7%, from P25.74 billion to P27.55 billion, primarily because of higher sales volume of the car dealerships. Revenues from the construction segment are slightly lower due to right of way issues, which slowed down the progress of construction of MRT 7 and Skyway 3. This is the primary reason for the drop in sale of services. Similarly, revenues from schools and related operations are lower this period still because of the effect of the K plus 12 program of Department of Education, which resulted to lower number of Freshmen and Sophomore enrollees. Dividend income has also dropped, from P52.89 million to P1.85 million, mainly because last year includes dividends from RRC, an affiliate of the Group.

Other income increased by 93%, from P476.23 million to P920.94 million, on account of: (a) gain on sale of investment property; (b) increase in dealers' income; (c) increase in commission income; and (d) reversal of long outstanding payables of the Group. Income from investment in other companies showed a significant improvement, hence for this period the Group reported equity in net earnings of P0.29 billion compared to last year's equity in net losses of P1.09 billion.

General and administrative expenses increased by 10% largely due to higher selling and marketing costs of the car dealerships as it intensified the promotion of new model units. The increase is also attributable to: (a) higher personnel cost due to increase in manpower; (b) increase in rent and utilities as a result of new leased office spaces and renewal of existing leases; (c) higher taxes due to documentary stamp tax (DST) on loans; and (d) higher depreciation mainly due to additional machinery and construction equipment acquired by EEI.

BALANCE SHEET

Consolidated total assets stood at P37.35 billion against P33.69 billion last year.

Total current assets increase by P0.40 billion or 2% higher than last year. Cash and cash equivalents are lower this year as the Group continues to pay down its loans and its other obligations. Receivables

increased by 16% primarily due to new projects of EEI and increase in sales of the car dealerships. Cost and estimated earnings in excess of billings on uncompleted contracts is lower than last year due to completion of several domestic projects of EEI. Inventories are lower by 29% due to higher sales volume of the dealerships. Receivables from related parties are significantly higher because of advances made by EEI Limited, a foreign subsidiary of EEI Corporation, to ARCC. Prepaid expenses and other current assets are higher by 29% due to increase in unutilized input taxes and advances to contractors and suppliers of EEI.

Investments in associates and joint ventures increased by 30% due to improved financial performance of ARCC, where EEI has a 49% stake, from net loss in 2016 to net income this year. The full redemption of RRC of its preferred shares resulted to reduced available-for-sale securities. Investment properties dropped significantly due to sale of the Group's property in Batangas. Increase in property and equipment pertains mainly to construction of a new school building in Mindanao and acquisition of new machinery, tools and construction equipment. Increase in other noncurrent assets pertains primarily to receivable of the Group relative to the sale of its Batangas property.

Consolidated total liabilities increased from P19.08 billion to P21.00 billion.

Total current liabilities increased from P15.77 billion to P18.10 billion primarily due to additional loans availed by the Group to finance the new projects of EEI and the construction of the new school building in Mindanao. Reduction in accounts payable and accrued expenses pertain primarily to settlement of obligations to its suppliers and contractors. Whereas, reduction in billings in excess of costs and estimated earnings on uncompleted contracts represent recoupment of down payment from EEI's completed projects. Unearned tuition fees are higher due to increase in the number enrollees in SHS. Increase in customers' deposits represents collections from EEI's prospective buyers for its housing project in Cavite.

Total noncurrent liabilities were reduced from P3.32 billion to P2.90 billion as the Group continues to pay down its long-term debt. The increase in deferred tax liabilities represent taxes related to revaluation increment of land, which has significantly increased this year.

Consolidated equity grew from P14.61 billion to P16.35 billion, of which P11.20 billion is attributable to the Parent Company. Reduction in preferred stock represents the regular redemption of the Parent Company. Retained earnings increased from P7.53 billion to P8.41 billion.

Financial Ratios

Below are the financial ratios that are relevant to the Group's for the years ended December 31, 2019 and 2018:

Financial ratios		2019	2018
Current ratio <i>Indicates the Group's ability to pay short-term obligation</i>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.12:1	0.87:1
Solvency Ratio <i>Shows how likely a company will be to continue meeting its debt obligations</i>	$\frac{\text{Net Income+Depreciation}}{\text{Total liabilities}}$	0.11:1	0.10:1
Debt-to-equity ratio <i>Measures the Group's overall leverage</i>	$\frac{\text{Total Debt}}{\text{Total Equity}}$	1.21:1	1.18:1
Asset to Equity Ratio <i>Measures the group's leverage and long-term solvency</i>	$\frac{\text{Total Assets}}{\text{Total Equity}}$	2.21:1	2.18:1

Financial ratios		2019	2018
Interest Rate Coverage	$\frac{\text{EBIT}^*}{\text{Interest Expense}}$	3.70:1	4.65:1
<i>Shows how easily a company can pay interest on outstanding debt</i>			
Return on Assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	3.60%	3.03%
<i>Measure the ability to utilize the Group's assets to create profits</i>			
Return on Equity	$\frac{\text{Net Income}}{\text{Average Total Equity}}$	7.92%	6.74%
<i>Reflects how much the Group's has earned on the funds invested by the stockholders</i>			

*Earnings before interest and taxes

Current ratio improved from 0.87 in 2018 to 1.12 in 2019. This is attributable to increase in production activities of EEI which resulted to higher contract assets, and assets of the newly acquired entities of iPeople.

Solvency ratio increased from 0.10 in 2018 to 0.11 in 2019 mainly because of higher net income posted by the Group.

Debt-to-Equity ratio measures the Group's leverage. It increased from 1.18 to 1.21 this year primarily due to the impact of adoption of PFRS 16 (Leases) and PFRS 15 (Contract Liabilities).

Asset-to-Equity ratio increased from 2.18 to 2.21 due to the effect of PFRS 16 (Leases) coupled with the inclusion of the assets of the newly acquired entities of iPeople.

Interest Rate Coverage ratio shows how easily a company can pay interest on outstanding debt. It is lower at 3.70 times compared to last year due to additional loans obtained by the group which resulted to higher interest cost, coupled with the impact of the adoption of PFRS 16 (Leases).

Return on Assets measures the ability to utilize the Group's assets to create profits. The Group's return on assets for the year 2019 increased to 3.60% from 3.03% in 2018 due to higher earnings posted by the Group for the year.

Return on Average Stockholders' Equity (ROAE) measures the profitability of the Company in relation to the average stockholders' equity. The ROAE for 2019 increased to 7.92% from 6.74% in 2018 due to higher income generated by the Group.

The above-mentioned ratios are applicable to the Group as a whole.

Other qualitative and quantitative factors

- (i) Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way;

 - a. House of Investments does not anticipate any cash flow or liquidity problems within the next twelve months;
 - b. House of Investments is not in default or breach of any note, loan, lease, or other indebtedness or financing arrangement which will require the Company to make payments;

- c. There is no significant amount of trade payable that have not been paid within the stated terms; and
 - d. House of Investments depends on dividends from its subsidiaries as its source of liquidity.
- (ii) Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation
There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- (iii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- (iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures
Other than what is stated below, there are no material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

iPeople, inc's subsidiary, Malayan Education System, Inc. (Operating under the name of Mapúa University) is constructing of a new campus on a 5,114 square-meter property in Makati. Completion is expected in time for the Academic Year 2020-2021. The entire project is estimated to cost around P2.5 billion and will be funded partially by debt.
- (v) Any Known Trends, Events or Uncertainties (Material Impact on Sales)
Other than the effects of the COVID-19 pandemic to the general Philippine economy, there is no known trend, event or uncertainty that have had or that are reasonably expected to have a material impact on the net sales or revenues or income of the Group from continuing operations;
- (vi) Any Significant Elements of Income or Loss (from continuing operations)
There are no significant elements of income or loss that did not arise from the House of Investments' continuing operations;
- (vii) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)
The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item are discussed above;
- (viii) Seasonal Aspects that has Material Effect on the FS
There are no seasonal aspects that had a material effect on the financial condition or results of operations.

MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

a. Market for Issuer's common equity and related stockholder matters

The common stock (PSE: HI) is traded on the Philippine Stock Exchange. The market price of HI's common stock as July 17, 2020 (latest practicable trading date) is at P3.49 for high and for low.

PERIOD	HIGH	LOW
2020 First Quarter	6.24	3.60
2019 Fourth Quarter	5.73	5.20
2019 Third Quarter	6.55	5.75
2019 Second Quarter	7.14	6.09
2019 First Quarter	7.14	5.75
2018 Fourth Quarter	7.80	5.75
2018 Third Quarter	9.00	5.70
2018 Second Quarter	7.23	5.96
2018 First Quarter	7.82	6.90
2017 Fourth Quarter	8.00	6.25
2017 Third Quarter	8.68	7.40
2017 Second Quarter	8.40	6.12
2017 First Quarter	6.68	5.76

Stockholders

The top 20 owners of common stock as of June 30, 2020 are as follows:

STOCKHOLDER	COMMON SHARES	% OF TOTAL
Pan Malayan Management & Investment Corporation*	356,632,814	45.93%
PCD Nominee Corp (Filipino)	244,213,431	31.45%
PCD Nominee Corp (Non Filipino)	32,741,436	4.22%
Alfonso T. Yuchengco, Inc.	11,240,012	1.45%
GDSK Development Corporation	5,064,840	0.65%
Go Soc & Sons And Sy Gui Huat, Inc.	4,019,890	0.52%
Enrique T. Yuchengco, Inc.	5,181,612	0.67%
Y Realty Corporation	3,545,890	0.46%
Malayan Securities Corporation	2,790,000	0.36%
Seafront Resources Corp.	2,484,000	0.32%
Meer, Alberto M.	2,217,030	0.29%
Cheng, Berck Y.	850,000	0.11%
Villonco, Vicente S.	803,800	0.10%
RP Land Development Corp.	726,720	0.09%
Lim, Tek Hui	627,000	0.08%
EBC Securities Corporation	485,320	0.06%
Dee, Helen Y. ITF: Michelle	482,240	0.06%
Bardey, John C.	476,230	0.06%
Wilson, Cathleen Ramona	420,170	0.05%
Wilson, Claudia	420,170	0.05%
SUB TOTAL	675,422,605	86.95%
Others	101,042,676	13.05%
TOTAL	776,465,281	100.00%

House of Investments has a total of 384 common shareholders owning a total of 776,465,281 shares as of June 30, 2020.

* Represents certificated shares only.

House of Investments redeemed all the outstanding preferred shares of the Company on May 20, 2020.

Dividends

In accordance with the Section 42 of the Revised Corporation Code of the Philippines, HI intends to declare dividends (either in cash or stock or both) in the future. Common and preferred stockholders of HI are entitled to receive a proportionate share in cash dividends that may be declared by the Board of

Directors out of surplus profits derived from HI's operations after satisfying the cumulative interest of preferred shares.

The same right exists with respect to a stock dividend of which the declaration is subject to the approval of stockholders representing at least two-thirds (2/3) of the outstanding shares entitled to vote. The amount will depend on HI's profits and its capital expenditure and investment requirements at the relevant time.

The company has declared cash dividends as follows:

YEAR	DIVIDEND PER COMMON SHARE	DIVIDEND PER PREFERRED SHARE	TOTAL AMOUNT
Q1 2020	N/A	P0.00516	P86.56 K
Q4 2019	N/A	P0.00512	P85.86 K
Q3 2019	N/A	P0.00542	P3.35 MM
Q2 2019	P0.065	P0.00721	P55.22 MM
Q1 2019	N/A	P0.00758	P4.69 MM
Q4 2018	N/A	P0.00719	P4.45 MM
Q3 2018	N/A	P0.00529	P3.27 MM
Q2 2018	P0.065	P0.02274	P54.10 MM
Q1 2018	N/A	P0.00465	P2.95 MM
Q4 2017	N/A	P0.00402	P2.62 MM
Q3 2017	N/A	P0.00413	P2.76 MM
Q2 2017	P0.065	P0.02154	P2.88 MM
Q1 2017	N/A	P0.00415	P2.92 MM

HI has not identified any restriction that limits the ability to pay dividends on common equity or that are likely to do so in the future.

b. Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There was no sale of unregistered securities and no recent issuance of securities in 2019 except for those related to conversions from preferred shares to common shares during the period.

Description of Registrant's Securities:

The equity capital structure of the firm as of May 31, 2020 is shown below:

	Common Stock	Preferred
Authorized Capital	1,250,000,000	2,500,000,000
Issued	776,765,281	-
Paid Up Capital	P1,165,147,921,50	-
Par Value	P1.50	P0.40