

ITALPINAS DEVELOPMENT CORPORATION

Notice of the Annual Stockholders' Meeting
and
Definitive Information Statement

Manila Polo Club
21 October 2019
9:00 A.M.

ITALPINAS DEVELOPMENT CORPORATION
Unit 28 C, 28F Philamlife Building, 6811 Ayala Ave., Makati City, 1226 Metro Manila
Phone: (02) 893 0328

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO OUR STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of **Italpinas Development Corporation** (the "Company") will be held at Manila Polo Club on **October 21, 2019 at 9:00 AM** with the following agenda:

1. Call to order;
2. Proof of notice and due calling of meeting;
3. Determination of a quorum;
4. Approval of the Minutes of the Regular Meeting of the Stockholders held on October 17, 2018;
5. Report of the President;
6. Presentation and approval of the Financial Statements as of December 31, 2017;
7. Ratification of acts of the Board of Directors and Officers;
8. Declaration of Stock Dividends;
9. Election of the members of the Board of Directors;
10. Appointment of external auditors;
11. Other Matters; and
12. Adjournment.

Minutes of the Regular Meeting of the Stockholders held on October 17, 2018 will be available for examination during office hours at the Office of the Corporate Secretary.

The Board has fixed the close of business hours on August 15, 2019 as the record date for the determination of stockholders entitled to notice of meeting and to vote at the specified election date.

In accordance with Section 7 of Article II of the Company's By-Laws and for purposes of election of the Board of Directors, any and all nominations shall be submitted to and received at the principal office of the Company on or before the date of the meeting, addressed to the attention of the Corporate Secretary.

Registration starts at 8:00 am. Please bring this notice and any form of identification such as driver's license, passport, etc. to facilitate registration.

Makati City, September 19, 2019.

CHRISTINE P. BASE
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- Preliminary Information Statement
 Definitive Information Statement

2. Exact name of issuer as specified in its charter: **ITALPINAS DEVELOPMENT CORPORATION**

3. **PHILIPPINES**

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **CS200900917**

5. BIR Tax Identification Code: **007-213-353-000**

6. **Unit 28C 28F Philamlife Building, 6811 Ayala Ave., Makati City,
1226 Metro Manila**

Address of principal office

Postal Code

7. **(+63 2) 893 03 28**

Issuer's telephone number, including area code

8. **October 21, 2019, 9:00 a.m., Manila Polo Club, McKinley Room B&C, McKinley Road, Forbes Park,
Makati City**

Date, time and place of the meeting of security holders

9. **September 30, 2019**

Approximate date on which the Information Statement is first to be sent or given to security holders

WE ARE NOT ASKING FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND A PROXY.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each class

**Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding**

Common Shares

321,618,800

11. Are any or all of the securities listed on a Stock Exchange?

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Common shares are listed with the Philippine Stock Exchange, Inc.

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AUDITED FINANCIAL STATEMENTS

2ND QUARTER INTERIM FINANCIAL STATEMENTS

A. GENERAL INFORMATION

Any references in this Information Statement to “we”, “us”, “Company” means Itaipinas Development Corporation. Also, unless otherwise stated or the context indicates otherwise, references to Board of Directors, committees, management, directors, officers and stockholders are references to the Board of Directors, committees, management, directors, officers and stockholders of Itaipinas and references to the Bylaws, Articles of Incorporation or other documents are references to the Bylaws, Articles of Incorporation or other documents of Itaipinas.

Item 1. Date, time and place of meeting of security holders.

Date	:	October 21, 2019
Time	:	9:00 A.M.
Place	:	Manila Polo Club, McKinley Room B&C, McKinley Road, Forbes Park, Makati City
Principal Office	:	Unit 28C 28 th Floor, Philamlife Building, Ayala Ave., Makati City, 1226 Metro Manila

The information statement is expected to be first sent or given to the security holders approximately on or before September 30, 2019.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND TO US A PROXY.

Item 2. Dissenter’s Right of Appraisal

There are no matters to be acted upon at the meeting involving instances set forth in the Revised Corporation Code of the Philippines for which a stockholder may exercise the right of appraisal.

Pursuant to *Section 80 Title X, Appraisal Right, Revised Corporation Code of the Philippines*, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances: (a) in case of any amendment to the articles of incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or 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, and (c) in case of merger.

Section 81 of the Revised Corporation Code also provides that, this appraisal right may be exercised by any stockholder who shall have voted against the proposed action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the 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 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 such award is made. No payment shall be made to the dissenting stockholder unless the bank has unrestricted retained earnings in its book to cover such payment. Upon payment by the Corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Corporation.

From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend right, shall be suspended, except the right of such stockholder to receive payment of the fair value thereof: Provided, that if the dissenting stockholder is not paid the value of his shares within 30 days after the award, his voting right and dividend rights shall immediately be restored (*Section 82 of the Revised Corporation Code*).

Within ten (10) days after demanding payment of his shares, a dissenting stockholder shall submit the certificate(s) of stock representing his shares to the Corporation for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Corporation, terminate his appraisal right (*Section 85, Revised Corporation Code*). No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Corporation consents thereto (*Section 83, Revised Corporation Code*).

The appraisal right shall be exercised in accordance with Title X of the Revised Corporation Code.

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

There is no matter to be acted upon in which any director, officer or nominee for election as director is involved or had direct, indirect or substantial interest.

No director has informed the Company in writing of his intentions to oppose any action to be taken by the Company at the annual stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 1. Voting Securities and Principal Holders Thereof

- a. Number of Shares Outstanding as of 15 August 2019

Common 321,618,800

Security	Issued & Outstanding Shares	Shares Owned by Foreigners	Percentage
Common	321,618,800	83,288,540	25.8967%
TOTAL	321,618,800	83,288,540	25.8967%

- b. Number of Votes Entitled: One (1) vote per share
- c. All stockholders of record as of August 15, 2019 are entitled to notice and to vote at the Annual Stockholders' Meeting.
- d. Manner of Voting

Article 1, Section 6 of the By-Laws provides:

"Section 6. Voting – At each meeting of the shareholders, every holder of shares then entitled to vote, may vote in person or by proxy, and shall have one (1) vote for each shares registered in his name. No proxy shall be voted on after six (6) months from its date, unless the proxy provides for and signifies a longer period."

All stockholders shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many persons as there are directors to be elected as 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 be 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 Company as of September 18, 2018 multiplied by the whole number of directors to be elected.

e. Security Ownership of Certain Record and Beneficial Owners and Management as of August 15, 2019:

i. There were no delinquent stocks, and the direct and indirect record and beneficial owners of more than five percent (5%) of the Company's voting securities are as follows:

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	% of Total Outstanding Shares
Common	Jose D. Leviste III Twin Tower, Wack-Wack Road, Mandaluyong Direct	Jose D. Leviste III Director	Filipino	103,605,584	32.21%
Common	Romolo V. Nati Frabella Condominium Rada St., Legaspi Village, Makati City Direct	Romolo V. Nati Director	Italian	80,370,225	24.99%
Common	PCD Nominee Corporation (Filipino) G/F MSE Bldg. 6767, Ayala Avenue, Makati City ¹	PCD Participants acting for themselves or for their customers ²	Various Filipino	134,723,333	41.88%

¹ The PCD Nominee Corporation is a wholly-owned subsidiary of the Philippine Central Depository, Inc. and is not related to the Company. It is the registered owner in the Company's books and holds shares on behalf of PCD participants and their clients.

² Each beneficial owner of shares through a PCD participant will be the beneficial owner to the extent of the number of shares in his account with the PCD participant.

The following are known to the Company as participants of the PCD holding 5% or more of the Company's common shares:

Title of Class	Member Name	No. of Shares Held	% of Total Outstanding Shares
Common	BDO Securities Corporation	103,906,215	33.82%
Common	SB Equities, Inc.	99,258,688	29.43%
Common	COL Financial Group, Inc.	44,648,183	16.85%

ii. Security Ownership of Directors and Management

Title of Class and Nature of Beneficial Ownership	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	% of Total Outstanding Shares
DIRECTORS				
Common (Direct)	Jose D. Leviste III	Filipino	103,605,584	32.21%
Common (Direct)	Romolo V. Nati	Italian	80,370,225	24.99%
Common (Direct)	Rafael A. Dominguez	Filipino	1,451	Nil
Common (Direct)	Shennan A. Sy	Filipino	476	Nil
Common (Direct)	Jose G. Araullo	Filipino	2	Nil
Common (Direct)	Januario Jesus Gregorio III B. Atencio	Filipino	14,512	Nil
Common (Direct)	Christine P. Base	Filipino	291,698	Nil
Common (Direct)	Jose Fidel R. Acuna	Filipino	1,451	Nil
OFFICERS				
Common (Direct)	Jose D. Leviste III	Filipino	103,605,584	32.21%
Common (Direct)	Romolo V. Nati	Italian	80,370,225	24.99%
Common (Direct)	Shennan A. Sy	Filipino	476	Nil
Common (Direct)	Christine P. Base	Filipino	291,698	Nil
Common (Direct)	Harold J. Dacumos	Filipino	19,500	Nil
Common (Direct)	Mary Ann B. Lopez	Filipino	10,000	Nil
TOTAL (All Directors and Officers – Common)			184,314,899	42.69%

iii. Voting Trust Holders of 5% or More

There are no voting trust holders or similar arrangements of five percent (5%) or more.

iv. Changes in Control

No change of control in the Company has occurred since the beginning of last fiscal year.

Item 2. Directors and Executive Officers

Article II, Section 1 of the Company's By-Laws provides that:

“Section 1. Number of Directors; Tenure; Vacancies – The business and affairs of the Corporation shall be managed and controlled by a board of nine (9) directors, each one of whom must own in his name at least one (1) share of the capital stock of the Corporation.

Each director shall hold office for a term of one (1) year and until the election and qualification of his successor. Any director may resign at any time. In the event that any director ceases for any reason, to hold office, a new replacement director shall be elected by the remaining Directors, provided there is still a quorum, upon nomination of the shareholder who nominated the director who cease to hold office.”

Article III, Section 1 of the By-Laws further state:

“Section 1. Election/Appointment and Term of Office – At the first board meeting after the annual election of directors, the directors shall elect the Chairman of the Board and a President from among their members, a Treasurer and a Corporate Secretary. The Board of Directors shall also appoint such other agents and create standing or special committees with such powers and duties as it shall deem necessary. All of said officers shall hold office at the pleasure of the board until their respective successors are duly elected and qualified. Any two (2) or more compatible officers may be held by one (1) person.

All vacancies occurring among any of the foregoing offices may be filled for the remainder of the term by the Board of Directors provided that such vacancies shall be filled in the same manner as the person creating the vacancy was nominated and elected.”

i. Board of Directors

The following have been nominated to the Board of Directors for election at the annual stockholders’ meeting on October 21, 2019:

Name	Age	Citizenship	Position (2019-2020)
Romolo V. Nati	51	Italian	Director
Jose D. Leviste III	39	Filipino	Director
Shennan A. Sy	50	Filipino	Director
Dionisio Tejero	77	Filipino	Director
Elvira Ablaza	67	Filipino	Director
Rafael A. Dominguez	50	Filipino	Independent Director
Jose G. Araullo	81	Filipino	Independent Director
Christine P. Base	49	Filipino	Director
Jose Fidel R. Acuna	33	Filipino	Director

The nomination for the above nominees for the year 2019-2020 were submitted by Romolo V. Nati and Jose D. Leviste III.

Mr. Rafael A. Dominguez was nominated as independent directors by Romolo V. Nati and Jose D. Leviste III nominated Mr. Jose G. Araullo and Rafael A. Dominguez. The nominees for independent directors have no existing relationship with the nominating shareholder.

The incumbent directors, including independent directors and executive officers of the Company are as follows:

Name	Nationality	Position	Date of Last Election / Appointment
Romolo Nati	Italian	Director, Chairman and Chief Operating Officer	October 17, 2018

Jose D. Leviste III	Filipino	Director/President	October 17, 2018
Shennan A. Sy	Filipino	Director, Treasurer	October 17, 2018
Christine P. Base	Filipino	Director/Corporate Secretary	October 17, 2018
Jose Fidel Acuna	Filipino	Director	October 17, 2018
Januario Jesus Gregorio	Filipino	Director	October 17, 2018
III B. Atencio			
Elvira Ablaza	Filipino	Director	October 17, 2018
Jose G. Araullo	Filipino	Independent Director	October 17, 2018
Raphael Dominguez	Filipino	Independent Director	October 17, 2018

The Company has adopted SRC Rule 38 and SEC Circular No. 16, Series of 2002 on the Guidelines on Nomination and Election of Independent Directors as stated in the By-Laws dated July 15, 2015 and Manual on Corporate Governance of Itaipinas. The Board of Directors likewise approved the amendments to the Manual of Corporate Governance to adopt SRC Rule 38.

Only nominees whose names appear on the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the Annual Stockholders' Meeting.

The following are the business experiences and summary of qualifications of the Incumbent Directors:

Arch. Romolo Valentino Nati, 51 years old, Italian, is a multi-awarded green architect, sustainable developer and multi-awarded car designer (BMW and Mitsubishi). He has been awarded in Italy, Estonia and the Philippines. He graduated "Summa Cum Laude" in Architecture in Rome at the University of Rome "La Sapienza" and has a Specialization Course in Urban Landscape and Layers from University of Tallin, Estonia and currently taking an Executive Master's in Business Administration from Asian Institute of Management, Philippines. Arch. Nati is primarily responsible for the overall management and implementation of IDC's projects. He particularly enjoys working in a team environment, collaborating with the development and design teams from concepts, early site and product development through project sell-out.

Atty. Jose Dayrit Leviste, III, 39 years old, Filipino, earned his degree in Law at the University of New South Wales in Australia and was Associate Attorney at Toda & Co. Commercial Lawyers in Australia. Atty. Leviste also serves as the President of the Company's sister company, Constellation Energy Corporation as well as Asian Arc Philippines. Atty. Leviste is also in charge of strategic decision for the company, such as acquisition of new properties and agreements with different partners. He also helps conceptualize the Company's plans for future expansion. He is a Director of Pacific Rim Innovation and Management Exponents, Inc. and Ankar Pharma.

Atty. Shennan A. Sy, 50 years old, Filipino, passed the CPA board exam in 1991 and was admitted to the Philippine Bar in 1996. He got his Bachelor of Arts degree, Major in Economics and Bachelor of Science in Commerce, Major in Accounting (Cum Laude) in De La Salle University. He was also a Juris Doctor (Salutatorian) in Ateneo de Manila University. He got his Master of Laws from the University of Michigan as a Fullbright Scholar and DeWitt Fellow. He was formerly a Senior Associate, Banking, Finance, and Tax Group, in Quisumbing Torres (member firm of Baker and McKenzie International). He is currently a Principal in Kalaw, Sy, Vida Selva and Campos Attorneys and Counselors-at-Law. Atty. Sy is also a Director in Abundant Homes Realty, Batangas Realty Incorporate, Business Incubators Group Services, Inc., Eight Golden Fruits Holdings, Inc., Fortitude Ventures, Inc., General Memorial Corporation, and Sugarcane Holdings Inc. just to name a few.

Mr. Januario Jesus Gregorio III B. Atencio, 57 years old, Filipino, has been the President and CEO of 8990 Holdings, Inc. and its eleven (11) other Real Estate Subsidiaries. He was also President and CEO of 8990 Housing Development Corporation, and other Housing related businesses such as Januarius Holdings, Inc., and Januarius Realty Development Corp. He was

also the founder of the Center for Housing Advocacy and Independent Synergies (CHAIRS), and has likewise been a Private Sector Representative of the Housing and Urban Development Coordinating Council (HUDCC) from 2011 up to 2016. In terms of Non-Housing endeavors, Mr. Atencio has been the Founder of and Chairman of Original Pitch Venture Capital, as well as the Chairman of Stoken STKD, Inc. He has also been a director in several other companies, like TOMIZON, PTE Australia; The Global Filipino Investor, Inc.; Acudeen, Inc.; SocialLITE, Inc.; Pilipinas Water, Inc.; and BP Water Works, Inc. Mr. Atencio likewise have been involved in personal affiliations such as being the National Board Advisor of the Organization of Socialized Housing Developers of the Philippines (OSHDP) since 2009. He also became National President and Chairman of the Subdivision and Housing Developers Association (SHDA) from 2002 up to 2004. He was also the Founder and Chapter Advisor of the SHDA Central Visayas. In 1983, Mr. Atencio obtained his Bachelor of Arts degree, Major in Psychology from the Ateneo de Manila University. He was also a part of the Applied Business Economics Center for Research and Communication of the University of Asia and the Philippines, from 1986 up to 1987. In the year 2011, Mr. Atencio attended the International Housing Finance of the Wharton School of Business, University of Pennsylvania, in the United States of America.

Mr. Jose G. Araullo 81 years old, Filipino, held various top management positions for over 14 years in a group of companies that includes the country's largest commercial bank. Joe was senior vice president of the bank itself and held CEO- and COO-level positions in the network's savings bank, credit card, securities and investment companies. He was president of PICPA in 1985 and again in 1986, and of the Bankers Institute of the Philippines in 1985. In 1992, PICPA honored him as Most Outstanding CPA in Public Practice. He obtained his bachelor's degree in accountancy from San Beda College, which selected him in 2001 as one of the Outstanding Bedans of the Century, and established the Jose G. Araullo Distinguished Professorial Chair in Auditing in recognition of his significant contributions to the advancement of the accountancy profession. Mr. Araullo is also the Chairman of The Real Bank (A Thrift Bank), Inc. He is also President of Fontana Resort and Country Club, Inc. as well as a Director in Philippine Savings Bank.

Mr. Rafael A. Dominguez, 50 years old, Filipino, Mr. Dominguez served as Director, SVP, and Owner's Representative of The Linden Suites from the year 2004 up to June 30, 2016. Thereafter, up to the present date, he is serving as The Linden Suite's President and Owner's Representative. He is also presently a director of Marco Polo Davao and PTFC Redevelopment Corporation, for which he has served as such since 2004 and 2009, respectively. He graduated from Xavier University, Ateneo de Cagayan in 1991, and obtained his Master's Degree in Business Administration in 2001 from Boston College.

Atty. Christine P. Base, 49 years old, Filipino, is the Corporate Secretary and at the same time Director of the Company. She is also the Corporate Secretary and a member of the Audit committee of the Anchor Land Holdings, Inc. since April 10, 2007. She is currently a Corporate and Tax Lawyer at Pacis and Reyes, Attorneys and the Managing Director of Legisforum, Inc. She is the Corporate Secretary of Araneta Properties, Inc., Active Alliance Incorporated, Asiasec Equities, Inc. and Ever-Gotesco Resources and Holdings, Inc. She is a director and/or corporate secretary of several private corporations. She was an Auditor and then Tax Lawyer of Sycip, Gorres, Velayo & Co. She is a graduate of Ateneo De Manila University School of Law with a degree of Juris Doctor. She passed the Bar Examination in 1997. Ms. Base is also a Certified Public Accountant. She graduated from De La Salle University with a degree of Bachelor of Science in Commerce major in Accounting.

Atty. Jose Fidel R. Acuna, 33 years old, Filipino, earned his Bachelor's Degree in Law at Far Eastern University, and Bachelor of Arts Major in Legal Management at the University of Santo Tomas. He is currently a Senior Associate at Pacis and Reyes, Attorneys. Atty. Acuna is currently a Director of Itapinas Development Corporation, the Deputy Compliance Information Officer for SL Agritech Corporation, and the Corporate Secretary for Tanay Rural Bank. He is also a Director and/or Corporate Secretary for several private corporations.

Elvira Ablaza, 67 years old, Filipino, earned her Bachelor’s Degree in Biology at the College of the Holy Spirit, and a Master of Science Degree in Biology at the University of Santo Tomas. She is currently the President and Chief Executive Officer of Pacific Rim and Management Exponents, Inc. (PRIMEX). Ms. Ablaza was formerly a Director in the Western Pacific Fisheries Consultative Committee (WPFCC) and an Executive Vice-President at the Inland Resources Development Corporation (IRDC). She is also involved in professional organizations, such as the Institute of Management Consultants of the Philippines (IMPHIL) and the Confederation of Filipino Consulting Organizations (COFILCO).

ii. Officers

The officers of the Company are appointed by the Board of Directors and their appointment as officers may be terminated at the will by the Board of Directors. The table below shows the name and position of Italtinas’ officers as of June 30, 2019:

Name	Position
Romolo Nati*	Chairman and Chief Executive Officer
Jose D. Leviste III*	President
Shennan A. Sy*	Treasurer
Atty. Christine P. Base*	Corporate Secretary, Compliance Officer
Harold J. Dacumos	SVP & Head of Banking and Business Operations Development
Mary Ann B. Lopez	VP and Head of Finance and Administration
Giuseppe Garofalo	Project Director – Design & Engineering
Gladys M. Echano	Sales Director – Primavera Sales Office
Maria Aleli Villacorte	Project Director – Miramonti

* Member of the Board of Directors

Mr. Harold J. Dacumos, 66 years old, Filipino, has over 30 years of experience in the field of banking and finance. He is responsible for the sourcing of funds and the overall financial and accounting management of the company. He also supports the company in business development and strategic planning. He maintains good and long-term business relationships with banks, other financial institutions and investors to support the company’s financial requirements to develop its various projects. Mr. Dacumos graduated from the University of the Philippines, Diliman with a degree in Business Administration. He also has a Master’s degree in Urban and Regional Planning from the same University. Mr. Dacumos also has a Master’s in Business Administration from De La Salle University. He also attended the Senior Business Economic Program from the University of Asia and the Pacific.

Ms. Mary Ann B. Lopez, 52 years old, Filipino, is a Certified Public Accountant who is responsible for the overseer of Finance Department. Her functions include financial reporting and analysis, policy recommendations and assurance of compliance with financial regulations. She provides financial and administrative services in the area of accounting, disbursements, fund management, procurement, budgeting and asset management. Ms. Lopez attended her first two years in college at the University of Santo Tomas. She then transferred to the University of the East where she graduated with a Degree in Business Administration major in Accounting. She was a consistent scholar during her college years. She attended various seminars on tax compliance and updates. She is a member of Philippine Institute of Certified Public Accountants (PICPA).

Mr. Guiseppe Garofalo, 31 years old, Italian, earned his degree in Civil Engineering at the University of Calabria in Italy. He also has a Master’s degree in Structural Engineering at the Polytechnic of Turin (Italy). He is the overall head of the design and Engineering of IDC. As Project Director, he also oversees the construction of all IDC projects in Cagayan de Oro and Batangas as well as future projects under development.

Ms. Gladys M. Echano, 43 years old, Filipino, is a licensed Real Estate Broker who is responsible for the sales force management, sales accounts management, business development, market research, advertising and promotions, events organization and public relations representing IDC's Primavera Sales Office in Cagayan de Oro. She graduated with a degree in Business Management at the Xavier University, Ateneo de Cagayan.

Ms. Maria Aleli Villacorte, 44 years old, Filipino, has 18 years of managerial, sales and marketing experience in real estate business. She is a licensed real estate broker. Under her leadership, she had sold over 4,000 housing units during her stint at the Company Housing Development Corporation. Have taken out accounts to secure P2.7 billion worth of financing. She is currently the Project Director of IDC's Miramonti project located in Sto. Tomas, Batangas.

iii. Significant Employees

No single person is expected to make a significant impact since the Company considers all its employees to be significant partners and contributors to the business.

iv. Family Relationships

There are no family relationships, either by affinity or consanguinity up to the fourth civil degree among the directors, executive officers and persons nominated and chosen by the Company to become directors and executive officers.

v. Involvement in Certain legal Proceedings

To the knowledge of the Company, there has been no occurrence of any of the following events during the past five (5) years up to the present involving the directors, officers, members, or nominees of the Company:

- (a) any bankruptcy, petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to the time;
- (b) any conviction by final judgment of any offense in any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) 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 his involvement in any type of business, securities, commodities, or banking activities; and
- (d) found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

There are no legal proceedings to which the Company or any of its properties is involved in on subject to, that would have a material adverse effect on the business or financial position of the Company.

vi. Certain Relationships and Related Transactions

As of June 30, 2019, the following is a summary of the director who owns ten percent (10%) or more of the outstanding shares of the Company:

Name of Company and Director	Position Held	Percentage of Voting Securities
Jose D. Leviste III	Director / President	32.21%
Romolo Nati	Chairman / CEO	24.99%

The Company, in the ordinary course of business, engages in transactions with its related parties. The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms at least comparable to those available from unrelated parties. Related party transactions were disclosed in the notes of the financial statements.

The details of the Company's related parties are summarized as follows:

Name of Related Party	Relationship	Country of Incorporation
Constellation Energy Corporation (CEC)	Associate	Philippines
Primavera Residences Condominium Corporation (PRCC)	Affiliate	Philippines
Individuals	Key Management Personnel / Shareholders	-

Outstanding balances and significant transactions with related parties are as follows:

a) Outstanding balances

	Advances to related parties (i)		Terms and conditions	Security	Nature of consideration to be provided upon settlement	Guarantees given or received	Impairment loss			Allowance for impairment loss	
	2019	2018					2019	2018	2017	2019	2018
Associate											
CEC	P-	P3,848,567	Subject to liquidation	Unsecured	Cash	None	P-	P-	P-	P-	P-
Affiliate											
PRCC	(1,769,138)	(1,769,138)	Subject to liquidation	Unsecured	Cash	None	-	-	-	-	-
Individuals											
Shareholders	49,448,280	48,117,426	Subject to liquidation	Unsecured	Cash	None	-	-	-	-	-
	P47,679,142	P50,196,855					P-	P-	P-	P-	P-

	Trade and other receivables (Note 8, ii)		Terms and conditions	Security	Nature of consideration to be provided upon settlement	Guarantees given or received	Impairment loss			Allowance for impairment loss	
	2019	2018					2019	2018	2017	2019	2018
Associate											
CEC	P93,483	P93,483	Demandable	Unsecured	Cash	None	P-	P-	P-	P-	P-

	Advances from an associate (iii)		Terms and conditions	Security	Nature of consideration to be provided upon settlement	Guarantees given or received
	2019	2018				
Associate						
CEC	P21,896,432	P21,896,432	Unsecured	Cash	None	Cash

a) Transactions

	Net sales (ii)		Advances to related parties (iv)		Advances from an associate (iii)		Key management personnel compensation (v)	
	2019	2018	2019	2018	2019	2018	2019	2018
Associate CEC	P-	P-	P93,483	P93,483	P-	P-	P-	P-
Key management personnel Individuals	-	-	-	-	-	-	9,838,534	13,756,614
	<u>P-</u>	<u>P-</u>	<u>P93,483</u>	<u>P93,483</u>	<u>P-</u>	<u>P-</u>	<u>P9,838,534</u>	<u>P13,756,614</u>

- i. Advances to related parties are intended for property development costs. Advances to PRCC pertain to expenses paid by the Company on behalf of PRCC. These cash advances are non- interest bearing, unsecured and are subject to liquidation upon utilization. Based on management's assessment, there is no indication of impairment and the carrying values of these advances to shareholders are deemed realizable as at June 30, 2019 and December 31, 2018.
- ii. The Company sold condominium units to an associate in 2015. Prices are based on usual list prices.
- iii. Advances from an associate represent cash advances received from CEC for the project development costs. These advances are unsecured, non-interest bearing and are payable on demand.
- iv. Advances to related parties collected for the years ended December 31, 2018 and 2017 were utilized for the construction of the Primavera City Residences Project.

Key management compensation consists of salaries and other short-term benefits. There are no long-term compensation and post-employment and termination benefits of key management personnel.

Item 3. Compensation of Directors and Executive Officers

i. Executive Compensation

For the calendar year ended/ending 31 December 2019, 31 December 2018, 2017 and 2016, the total salaries, allowances and bonuses paid/estimated to be paid to all other officers as a group unnamed is as follows:

SUMMARY COMPENSATION TABLE

Annual Compensation

Name and Principal position	Year	Salary (PHP)	Bonus (PHP)	Others
CEO, President	2019	11,946,537	1,095,545	1,200,000
VP for Finance and Administration, VP for Banking and Business Development, Project Director – Design & Engineering, Sales Director – Primavera Sales Office, Sales Director – Miramonti Sales Office	2019	6,277,653	1,032,579	1,563,298
CEO, President	2018	9,858,334	821,528	1,200,000
VP for Finance and Administration, VP for Banking and Business Development	2018	2,840,079	236,673	780,000
CEO, President	2017	9,499,918	823,071	1,200,000
VP Finance and Accounting, VP for Corporate Communications and Branding, VP for Administrative and Operations	2017	2,108,161	201,080	720,000
CEO, President	2016	9,499,918	823,071	1,200,000
VP Finance and Accounting, VP for Corporate Communications and Branding, VP for Administrative and Operations	2016	2,074,470	190,327	550,000
TOTAL	2019	18,224,190	2,128,124	2,763,298
	2018	12,698,413	1,058,201	1,980,000
	2017	11,608,079	1,024,151	1,920,000
	2016	11,574,388	1,013,398	1,750,000

Except for the salaries and bonuses stated above, the directors did not receive other allowances or per diems for the past and ensuing year. Performance based bonuses may be given to management and key executives within reasonable standards and according to appropriate indicators. There are no other existing arrangements/agreements under which directors are to be compensated during the last completed fiscal year and the ensuing year.

ii. Compensation of Directors

Article II, Section 5. Compensation – Directors shall be entitled to reasonable traveling and accommodation expenses for the attendance of any meeting of the Board of Directors and to such compensation as granted by the vote of the stockholders representing at least a majority of the outstanding capital stock at a regular or special stockholders’ meeting. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, or otherwise and receiving compensation therefore.

The stockholders ratified a resolution at its meeting on 20 August 2015 authorizing the compensation of Directors to be Php10,000.00 for every board, committee meeting and stockholders’ meeting attended.

On 17 October 2018, the Compensation and Remuneration Committee ratified a resolution approving the per-diem of Php3,000.00 to all members of the Board of Directors for every meeting attended. Further, members of the Board of Directors will be receiving quarterly remunerations as well.

iii. Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The above named executive officers are covered by contracts with the Company stating therein their respective job functionalities, among others.

iv. Warrants and Options Outstanding

None of the Company’s Common Shares are subject to outstanding warrants or except as described above, there are no other arrangements pursuant to which any of the Company’s directors and executive officers was compensated, or is to be compensated, directly or indirectly.

Item 4. Independent Public Accountants

i. BDO Roxas Cruz Tagle & Co. (formerly named BDO Alba Romeo & Co., CPAs, hereinafter referred to as “BDO Roxas”) is the Independent Public Accountant (External Auditor) of Itapinas. The same accounting firm is being recommended for reelection for the incoming year and will be submitted to the stockholders for their confirmation and approval.

ii. Duly authorized representatives of BDO Roxas are expected to be present at the Annual Meeting of Stockholders and they will have the opportunity to make statements if they desire to do so and are expected to be available to respond to appropriate questions.

Under the existing regulation of the Securities and Exchange Commission, the registrant shall change its external auditor or rotate the engagement partner every five years. This is in compliance with the rotation requirement of its external auditor’s certifying partner as required under SRC Rule 68 Paragraph 3(B)(ix). Considering that the assigned partner of BDO Roxas has been the Corporation’s independent public accountant since year 2015, rotation is not necessary.

iii. Description of any disagreement on any matter of accounting principle or practices, FS disclosures, etc.

Not applicable, there were no disagreements on accounting and financial disclosures with the previous and current handling partner.

iv. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in and any disagreements between the Company and the Independent Public Accountant on any Accounting and Financial Disclosure related matters.

v. **Audit and Audit-Related Fees**

Fees approved in connection with the audit and audit-related services rendered by BDO Roxas pursuant to the regulatory and statutory requirements for the years ended 31 December 2018, 2017 and 2016 amounted to PHP 1,101,240, PHP 830,000 and PHP 755,000, respectively.

BDO Roxas was not engaged for any non-audit services for the years it has served as the Company's independent auditor.

Mr. Jose G. Araullo is the Chairman of the Audit Committee while Jose D. Leviste III and Atty. Shennan A. Sy are members. Mr. Araullo is an Independent Director of Itapinas.

C. **ISSUANCE AND EXCHANGE OF SECURITIES**

Item 1. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up in the meeting with respect to authorization or issuance of securities other than for exchange. However, one of the acts to be ratified in the upcoming annual meeting is the approval to issue to the public up to 33,333,334 preferred shares with an over-allotment of up to 10,000,000 preferred shares at an offer price of up to Philippine Pesos: Fifteen Pesos (Php 15.00) per share with the following features:

- a. Non-voting;
- b. Cumulative;
- c. Non-Participating;
- d. Redeemable;
- e. Convertible; and
- f. Peso Denominated.

Furthermore, the Board approved to issue up to 35% stock dividends to shareholders of the Corporation and to delegate to Management the determination of the terms thereof, including but not limited to the record and payment dates, as well as the treatment of fractional shares, if any.

Item 2. Modification or Exchange of Securities

There are no matters or actions to be taken up in the meeting with respect to modification or exchange of securities.

Item 3. Financial and Other Information

The audited financial statements as of December 31, 2018 and Management's Discussion and Analysis are attached hereto. In addition, the 2nd Quarter Interim Financial Statements are also attached.

Item 4. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale or liquidation of the Company.

Item 5. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Company.

Item 6. Restatement of Accounts

There is no record of restatement of any accounts.

D. OTHER MATTERS

Item 1. Action with Respect to Reports

- i. Approval of the Minutes of the 2018 Annual Stockholders' Meeting held on October 17, 2018 covering the following matters:
 - (a) Call to order;
 - (b) Proof of notice and due calling of meeting;
 - (c) Determination of a quorum;
 - (d) Approval of the Minutes of the Regular Meeting of the Stockholders held on May 31, 2017;
 - (e) Report of the President;
 - (f) Presentation and approval of the Financial Statements as of December 31, 2017;
 - (g) Ratification of acts of the Board of Directors and Officers;
 - (h) Election of the members of the Board of Directors;
 - (i) Appointment of external auditors;
 - (j) Ratification of the Board Approval to Amend the Company's Articles of Incorporation relative to the Preferred Shares;
 - (k) Delegation to the Board of Directors the determination of the terms and conditions of the Issuance of the Preferred Shares
 - (l) Other Matters; and
 - (m) Adjournment.

- ii. Resolutions for Ratification by the Stockholders

At the Annual Stockholders' Meeting, stockholders will be asked to approve and ratify all acts of the Board of Directors and management during their term of office. These include, but not limited to:

- a. Purchasing properties;
- b. Filing for annotation of an adverse claim;
- c. Remuneration of directors;
- d. Applying for an Auto Sweep RFID;
- e. Authorizing the institution of civil and criminal complaints to protect the Company;
- f. Applying for a housing program accreditation and obtaining a funding allocation;
- g. Entering into transactions and contracts to avail communication and technology products and services;
- h. Entering into sale contracts and deeds of undertaking for bank loan take outs;
- i. Opening and maintaining deposit accounts and/or trust accounts with various banking institutions;
- j. Obtaining loans/credit accommodations, trust receipt agreements, and financing facilities with various banks and approval of signing limits;
- k. Entering into agreements with certain government agencies for the protection of rights and interest of the Corporation;
- l. Executing affidavits of compliance;
- m. Applying for and obtaining accreditation of its various development projects with a banking institution to qualify as a borrower for real estate loans;
- n. Authorizing the exercise of voting rights of the Corporation as a condominium unit owner;
- o. Entering into an employee loan program with a banking institutions;
- p. Public offering of primary shares of up to 33,333,334 preferred shares with an over allotment of 10,000,000 preferred shares, at an offer price of up to P15,00 per offer share;

- q. Transacting with the Philippine Stock Exchange in connection to the Corporation's Follow-on Offering ("FOO");
- r. Authorizing Unicapital, Inc., and its representative John Philip Canindo to represent the Corporation related to the FOO;
- s. Appointing BDO Unibank, Inc., Trust and Investment Group as receiving agent and stock transfer and dividend paying agent;
- t. Authorizing the claiming, receiving and picking-up from a bank all the documents of the leased vehicle of the Corporation with the bank;
- u. Authorizing the devising an agreement with Cagayan Electric Power & Light Company relative to the application for metering and permanent connection of the Corporation's project;
- v. Transacting with Home Development Mutual Fund, Philippine Health Insurance Corporation, and Social Security System;
- w. Declaring stock dividends;
- x. Postponing of annual stockholders' meeting; and
- y. Setting of time, date, and venue of the annual stockholders' meeting.

Item 2. Matters Not Required to be Submitted

Other than election to office, there is no matter to be acted upon during the Annual Stockholders' Meeting to which a beneficial owner, director or officer has any substantial interest.

No director has informed in writing of his intention to oppose any action to be taken during the proposed Annual Stockholders' meeting.

Item 3. Amendment of Charter, By-laws or Other Documents

There is no matter to be acted upon during the Annual Stockholders' Meeting relative to amendments of the charter, by-laws, or other documents.

Item 4. Other Proposed Action

- i. Election of the Members of the Board of Directors, including the independent directors, for the ensuing calendar year.
- ii. Election of External Auditors.

Item 5. Voting Procedures

Except in cases where a higher vote is required under the Corporation Code, the approval of any corporate action shall require the majority vote of all the stockholders present in the meeting, if constituting a quorum.

Except in cases where voting by ballot is applicable, voting and counting shall be *viva voce*. If by ballot, the counting shall be supervised by the external auditors and transfer agent of the Company.

In the election of directors, each common shareholders of record as of August 15, 2019 is entitled to as many votes as there are directors to be elected. A stockholder may vote such number of shares 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 multiplied by the number of directors to be elected.

All proxies must be in the hands of the Corporate Secretary at least ten (10) days before the time set for the meeting. Such proxies filed with the Corporate Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Corporate Secretary prior to a scheduled meeting or their personal attendance at the meeting.

The Corporate Secretary and attended by the Stock and Transfer Agent shall settle questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies resolved. The Corporate Secretary's decision shall be final and binding upon the shareholders. Any such question or issue decided upon by the Corporate Secretary shall be deemed settled and those not brought shall be deemed waived and may no longer be raised during the stockholder's meeting.

All votes shall be tabulated by the Office of the Corporate Secretary.

UPON THE WRITTEN REQUEST OF THE STOCKHOLDERS, THE COMPANY UNDERTAKES TO PROVIDE WITHOUT CHARGE A COPY OF THE COMPANY'S ANNUAL REPORT. ANY WRITTEN REQUEST FOR A COPY OF ITALPINAS' ANNUAL REPORT OF ANY SUCH PERSON SHALL BE ADDRESSED TO THE FOLLOWING:

**THE OFFICE OF THE CORPORATE SECRETARY
ITALPINAS DEVELOPMENT CORPORATION
8th Floor, Chatham House,
116 Valero cor. V.A. Rufino St., Makati City**

Attention : Christine P. Base

SIGNATURE

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 the City of Makati on September 19, 2019.

ITALPINAS DEVELOPMENT CORPORATION

By:

**CHRISTINE P. BASE
Corporate Secretary**