



MANAGEMENT REPORT

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Item 1. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

In a special partners meeting held on October 12, 2015, the Partners have elected Mr. Michael D. Roxas as the new Chairman/Managing Partner and ILP effective November 1, 2015. As a result of this appointment, Mr. Gideon De Leon was chosen to be the new signing partner for audit of Italpinas Development Corporation.

There were no disagreements on accounting and financial disclosures with the previous and current handling partner.

Item 2. External Audit Fees

BDO Alba Romeo & Co., CPAs was the Independent Public Accountant (External Auditor) of Italpinas Development Corporation for the year 2015.

IDC paid its external auditors the following fees in the past 2 years.

	Year 2015	Year 2014
Payment for Annual FS - 2015	P500,000	P--
Payment for AUP of IPO Proceeds	55,000	--
Other fees (out-of-pocket expenses)	75,000	--
Payment for Annual FS – 2014	--	320,000
Payment for the restatement of 2013 FS	--	320,000
Payment for the restatement of 2012 FS	--	360,000
Total	P630,000	P1,000,000

Item 3. Financial Statements with Management's Discussion and Analysis or Plan of Operation

1st Quarter 2016 Financial Condition

As of March 31, 2016, the Company had total assets of Php 589,142,469. Likewise, the Company remains liquid with current assets amounting to Php 459,285,732 as against its current obligations of Php 108,844,208.

The Company assets are comprised primarily of cash, real estate inventory, receivables and investment property. There was an increase in real estate inventory since the building is 100% complete and the company was using percentage of completion method in recognizing inventory.

Italpinas' receivables are composed mainly of installment contracts receivables from buyers. As of 31 March 2016, none of its receivables have been classified as 'Past Due' or 'Impaired'. Bulk of these receivables is expected to be collected on the rest of the year thru buyer's availment of bank financing and company's availment of bank CTS facility for its receivables under in-house and deferred financing.

The investment of the Company represents land intended for future projects, that is, land in Santo Tomas Batangas which will be used to construct Miramonti.

To further fuel its growth, the Company acquired development loan for each project. Landbank loan was acquired for Primavera Residences Tower A and BPI loan was acquired for Primavera Residences Tower B. Debt-to-Equity ratio is .86x in 31 March 2016.

Financial Condition as at 31 March 2016 compared to as at 31 December 2015

	2016 (Unaudited)	2015 (Audited)
ASSETS		
Current assets		
Cash on hand and in banks	P102,791,175	P155,926,313

Trade and other receivables	130,651,031	127,946,979
Real estate inventories	78,911,417	88,705,150
Property development costs	44,223,319	28,032,179
Input VAT	40,612,544	37,567,177
Advances to related parties	56,442,050	9,618,152
Prepayments and other current assets	5,654,196	882,086
Total current assets	459,285,732	448,678,036
Noncurrent assets		
Trade receivables, net of current portion	109,443,712	109,443,712
Land for future development	12,572,000	12,572,000
Property and equipment	7,651,807	8,198,114
Other non-current assets	189,218	253,019
Total noncurrent assets	129,856,737	130,466,845
Total assets	P589,142,469	P579,144,881
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	P72,383,039	P71,702,625
Deferred income on real estate sales, current portion	-	-
Reserves for property development	-	-
Borrowings, current portion	4,627,283	21,007,431
Advances from an associate	27,482,634	771,152
Income tax payable	4,351,252	3,789,250
Total current liabilities	108,844,208	97,270,458
Noncurrent liabilities		
Trade and other payables, net of current portion	24,778,269	24,778,269
Deferred income on real estate sales, net of current portion	-	-
Borrowings, net of current portion	138,836,718	138,836,718
Deferred tax liability	-	-
Total noncurrent liabilities	163,614,987	163,614,987
Total liabilities	272,459,195	260,885,445
Equity		
Share capital	110,809,400	110,809,400
Share premium	157,273,299	162,400,779
Retained earnings	48,600,575	45,049,257
Total equity	316,683,274	318,259,436
Total liabilities and equity	P589,142,469	P579,144,881

.34x Decrease in Cash

The company paid its existing obligations to its contractors and existing loans to the bank.

.01x Increase in Receivables

The company sold 8 residential units of Primavera Residences Tower B totaling to Php 22,522,257, all of these units were not sold on installment basis.

.11x Decrease in Real Estate Inventory

A decrease in inventory of Php 9.7 million is due to the cost of the sold 8 units of Primavera Residences Tower B.

4.87x Increase in Due from Related Parties

Increase was due to advances to affiliates.

5.41x Increase in Prepayments

Included in the prepayments account were prepaid expenses totaling Php 4.7 million, these were advance payments made to suppliers and contractors.

.07x Decrease in Property and Equipment

There were no disposals of assets on the three-month period. Decrease was caused by depreciation expenses incurred.

.25x Decrease in Other Non-Current Assets

Recognition of some non-current assets as current caused the decrease.

.01x Increase in Trade and Other Payables

Increase in the trade and other payable is due to additional structural works on Primavera Residences Tower 2.

.08x Increase in Retained Earnings

The company earned Php 3,551,318 for the three-month period which brought about the increase in retained earnings.

1st Quarter 2016 Results of Operation

	2016 (Unaudited)	2015 (Unaudited)
Net sales	P21,890,815	P15,551,708
Cost of sales	(9,788,947)	(7,762,451)
Gross profit	12,101,868	7,789,257
Realized gross profit	-	3,660,943
Deferred gross profit	-	(7,014,104)
	12,101,868	4,436,096
General and administrative expenses	(14,217,203)	(11,919,634)
Profit from operations	(2,115,335)	(7,483,538)
Other operating income, net	8,180,382	478,708
Finance income	694,266	292,156
Finance costs	(2,645,994)	(3,833,622)
Profit (loss) before tax	4,113,320	(10,546,296)
Benefit from (provision for) income tax	(562,002)	(140,775)
Profit (loss) for the year	P3,551,318	P(10,687,071)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	P3,551,318	P(10,687,071)

Italpinas reported a net income of Php 3,551,318 for the quarter.

Results of Operation as at 31 March 2016 compared to as at 31 March 2015

.41x Increase in Real Estate Sales

As of March 2016, the company sold 8 units as against 6 units sold in 2015 which caused the increase.

1.53x Increase in Interest Income

This is due to collections from installment sales under in-house financing.

.26x Increase in Cost of Sales

Increase in sales correspondingly increased cost.

1.43x Increase in Selling Expenses

The company is more aggressive in selling its units to the public. The company frequently advertised its products to increase its sales. The company also gives favorable commissions to its outstanding brokers.

.10x Increase in General and Administrative Expenses

Increase in general and administrative expenses was mostly due to the following:

1. The company secured the services of consultants that will help to improve sales
2. Payment of bank fees
3. Payment to secure permits
4. Travelling to and from Cagayan de Oro of top management

KEY PERFORMANCE INDICATORS

	For the years ended			
	December 31,			1Q2016
	2013	2014	2015	
	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>	<u>Unaudited</u>
Current Ratio (x) ¹	1.78	1.77	4.61	4.22
Solvency Ratio ²	0.01	0.05	0.27	0.03
Debt-to-Equity Ratio (x) ³	6.52	4.82	0.82	0.86
Gross Margin (%) ⁴	38.00	46.00	55.00	50.00
Return on Equity (%) ⁵	8.25	22.23	22.19	1.83
Net Margin (%) ⁶	4.00	14.00	20.54	16.22

Notes:

¹ Current Ratio is computed as current assets divided by current liabilities.

² Solvency Ratio is derived through adding after tax net profit and depreciation and dividing the sum by total liabilities.

³ Debt-to-Equity Ratio is measured as the ratio of total liabilities divided by the total equity attributable to equity holders of the parent company.

⁴ Gross Margin is gross profit as a percentage of revenue.

⁵ Return on Equity is net profit as a percentage of average equity attributable to equity holders of the parent company.

⁶ Net Margin is net profit as a percentage of revenue.

CASH ON HAND AND IN BANKS

The account consists of:

	<u>Mar 2016</u>	<u>Dec 2015</u>
Cash on hand	P86,000	P86,000
Cash in banks	102,705,175	155,840,313
	<u>P102,791,175</u>	<u>P155,926,313</u>

TRADE AND OTHER RECEIVABLES

The account consists of:

	<u>Mar 2016</u>	<u>Dec 2015</u>
Sale of Real Estate	P226,794,222	P224,076,957
Advances to suppliers and contractors	6,871,554	6,239,146
Advances to officers and employees	5,664,060	6,907,459
Others	764,907	167,129
	<u>P240,094,743</u>	<u>P237,390,691</u>

Trade receivables are due from the customers for the sale of condominium units at Primavera Residences in Cagayan de Oro. Trade receivables include unsecured, interest bearing installment receivables with an installment period of five (5) years, with the balances due on a monthly equal installment. Titles to real estate properties are not transferred to the buyer until full payment has been made.

Cash advances made to officers and employees are subject to liquidation upon utilization.

Advances to suppliers and contractors are amounts advanced to suppliers for the supply of goods and services in relation to the development activities of the Company. These advances are unsecured and non-interest bearing.

Based on management's assessment, there is no indication of impairment and the carrying value of trade and other receivables is deemed collectible.

Aging of Accounts Receivable on sale of Real Estate:

	<u>Mar 2016</u>	<u>Dec 2015</u>
Current	P220,786,507	P219,600,286
Past Due		
1-30 days	123,580	2,946,902
31-60 days	-	1,188,507
Over 60 days	5,884,135	341,262
Total	<u>P226,794,222</u>	<u>P224,076,957</u>

REAL ESTATE INVENTORIES

The account consists of:

	<u>Mar 2016</u>	<u>Dec 2015</u>
Completed units (Primavera Residences Tower A)		
Beginning balance	P7,846,810	P29,688,054
Sold units during the year (Note 19)	-	(21,841,244)
Ending balance	<u>P7,846,810</u>	<u>P7,846,810</u>
Completed units (Primavera Residences Tower B)		
Beginning balance	P80,858,340	P-
Transfers from property development costs during the year (Note 10)	-	198,279,919
Sold units during the year (Note 19)	<u>(9,793,733)</u>	<u>(117,421,579)</u>
Ending balance	<u>71,064,607</u>	<u>80,858,340</u>
Total	<u>P78,911,417</u>	<u>P88,705,150</u>

Real estate inventories consist of condominium units, which are for sale, from the completed Company's projects. The carrying value of inventories is not in excess of its net realizable value (NRV).

The cost of real estate inventories includes a land with an area of 1,125 square meters, where Primavera Residences Tower A was constructed and was subjected to a real property mortgage for borrowings obtained from Landbank of the Philippines. On March 27, 2015, the real property mortgage was released when the related loans were fully paid.

The Company has no unusual purchase commitments.

TRADE AND OTHER PAYABLES

Trade payables primarily consist of liabilities to contractors for the costs of development and construction of the Company's real estate inventories. The balances include the unpaid costs of land for future development which was acquired by the Company in 2013 (see Note 12). Non-current portion of the trade payable consist of the total contract price less costs already incurred and billed to the Company.

Miscellaneous fees payable represents amounts collected in advance by the Company from the unit owners which will be used to settle the taxes and fees that will be incurred in the transfer of the condominium title under the name of the unit owners.

Trade and other payables are non-interest bearing and are generally on a 30-day term. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

BORROWINGS

BPI borrowings are secured by real estate mortgage on the Company's project "Primavera Residences" which is comprise of 1,126 square meters of land covered by TCT No. T-126883, including all present and future improvements. Fifty percent (50%) of the unsecured portion shall be covered by International Finance Corporation guarantee under the Risk Sharing Facility with Special Lending Unit-Sustainable Energy Finance. The loan agreement of the Company with BPI includes affirmative and negative covenants. The negative covenants, among others, include (a) current ratio which shall not fall below 1:1 level; and (b) debt-to-equity ratio which shall not go beyond 2.5:1 anytime during the duration of the loan. The Company commits to promptly notify the bank of any event or condition which might materially and adversely affect the carrying on of its business.

LBP borrowings with principal of P 130,000,000 is secured by real estate mortgage on the Company's project "Primavera Residences" which is comprise of 1,125 square meters of land covered by TCT No. T-126881, including all present and future improvements. Cost of the mortgaged properties amounted to P 36,414,687. The loan agreement of the Company with LBP provides that a Debt Service Reserve Account (DSRA) shall be maintained at any particular time starting from drawdown date with funding equivalent to one quarter interest payment during the grace period. Thereafter, the Company shall maintain a minimum deposit balance of P 5,000,000 in the DSRA. However, at least ten (10) banking days prior to the amortization payment date (except for the first interest payment date), the Company shall deposit to the DSRA to cover one amortization payment. The amount needed to fill up the DSRA during the construction period may be deducted from the proceeds of the facility. In the first quarter of 2015, the Company has already fully settled the amount.

Loan from PBCom were obtained on March 2015. The proceeds of the loans were used exclusively to take-out the Company's loan with LBP. These loans are secured by real estate mortgage on the Company's twenty two (22) units in its Primavera Residences Tower A project. The loan is payable in three (3) years. Borrowings from PS Banks pertains to car loans availed by the Company (see Note 14).

SHARE CAPITAL

The account consists of:

	Number of shares	Amount
<i>Authorized:</i>		
At December 31, 2014 and 2013		
500,000 shares at P100 par value per share	500,000	P50,000,000
Effect of stock split for change in par value from P100 per share to P0.50 per share (Note b)	99,500,000	-
Increase in authorized share capital		
255,987,200 shares at P0.50 par value per share (Notes a and b)	255,987,200	127,993,600
	355,487,200	127,993,600

At December 31, 2015	355,987,200	P177,993,600
At March 31, 2016	355,987,200	P177,993,600
	Number of shares	Amount
<i>Issued and outstanding:</i>		
At December 31, 2014 and 2013		
500,000 shares at P100 par value per share	500,000	P50,000,000
Effect of stock split for change in par value from P100 per share to P0.50 per share (Note b)	99,500,000	-
Stock dividends (Note c)		
63,996,800 shares at P0.50 par value per share	63,996,800	31,998,400
Additional issuance during the year through IPO		
57,622,000 share at P0.50 par value per share (Note d)	57,622,000	28,811,000
	<u>221,118,800</u>	<u>60,809,400</u>
At December 31, 2015	221,618,800	P110,809,400
At March 31, 2016	221,618,800	P110,809,400

a. Application for increase in authorized share capital

On January 30, 2015, the Company's BOD and shareholders amended its articles of incorporation to apply for increase in the number of authorized share capital from P 50,000,000 divided in five hundred thousand (500,000) shares at P100 par value per share to P 177,993,600 divided into three hundred fifty five million nine hundred eighty seven thousand two hundred (355,987,200) shares at P0.50 par value per share. On July 15, 2015, the SEC issued a Certificate of approval of the increase of share capital.

b. Change in par value from P100 to P0.50

On January 30, 2015, the Company increased the issued and fully paid share capital amounting to P50,000,000 divided in five hundred thousand (500,000) shares at P100 par value per share to P50,000,000 divided in one hundred million (100,000,000) shares at P0.50 par value per share.

c. Stock dividends

On January 30, 2015, of the total increase in authorized share capital, twenty five percent (25%) have been subscribed and paid in the form stock dividends amounting to P31,998,400 divided into sixty three million nine hundred ninety six thousand eight hundred (63,996,800) shares at P0.50 par value per share.

On July 15, 2015, the SEC issued a Certificate of approval of the increase of share capital. Of the increase in authorized share capital of one hundred twenty seven million nine hundred ninety three thousand and six hundred (P 127,993,600) divided into two hundred fifty five million nine hundred eighty seven thousand two hundred (255,987,200) shares at least 25% have been subscribed and paid amounting to thirty one million nine hundred ninety eight thousand and four hundred (P 31,998,400) in the form of stock dividends. The subscription and payment of which were also approved by the shareholders representing at least 2/3 of the outstanding capital.

d. Initial Public Offering (IPO)

On December 7, 2015, the Company listed in the Philippine Stock Exchange issuing a total of fifty seven million six hundred twenty two thousand (57,622,000) shares with par value of P0.50 per share for a consideration of P3.60 per share for a total of gross proceeds of P207,440,000.

Share premium

On December 7, 2015, the Company issued 57,622,000 shares by way of an IPO. The share premium resulting from the said offer is as follows:

Gross proceeds	P207,440,000
Offer Expenses	
Underwriting and selling fees for the offer shares	749,456

Taxes to be paid by the Company	13,891,714	
Philippine SEC filing and legal research fees	41,076	
PSE listing and processing fees inclusive of VAT	3,052,119	
Professional fees	1,816,692	
Out-of-pocket and other expenses	1,804,644	(21,355,701)
Net proceeds		186,084,299
Share capital		(28,811,000)
Total share premium		P157,273,299

Share premium arises when the amount subscribed for share capital is in excess of nominal value.

Financial Condition and Results of Operations for the last 3 Fiscal Years

2015 Financial Condition

As of December 31, 2015, the Company had total assets of Php 579,144,881. Likewise, the Company remains liquid with current assets amounting to Php 448,678,036 as against its current obligations of Php 97,270,458.

The Company assets are comprised primarily of cash, real estate inventory, receivables and investment property. There was an increase in real estate inventory since the building is almost 100% complete and the company was using percentage of completion method in recognizing inventory.

Italpinas' receivables are composed mainly of installment contracts receivables from buyers. As of 31 December 2015, none of its receivables have been classified as 'Past Due' or 'Impaired'. Bulk of these receivables is expected to be collected in 2016 thru buyer's availment of bank financing and company's availment of bank CTS facility for its receivables under in-house and deferred financing.

The investment of the Company represents land intended for future projects, that is, land in Santo Tomas Batangas which will be used to construct Miramonti.

To further fuel its growth, the Company acquired development loan for each project. Landbank loan was acquired for Primavera Residences Tower A and BPI loan was acquired for Primavera Residences Tower B. Debt-to-Equity ratio is .82x in 31 December 2015.

In 31 December 2015, the Company's equity increased by 285% due to increase in authorized capital stock and offering and sale of same to the public.

Financial Condition as at 31 December 2015 compared to as at 31 December 2014

	2015 (Audited)	2014 (Audited)
ASSETS		
Current assets		
Cash on hand and in banks	P155,926,313	P52,234,345
Trade and other receivables	127,946,979	65,150,211
Real estate inventories	88,705,150	29,688,054
Property development costs	28,032,179	77,691,948
Input VAT	37,567,177	47,388,647
Advances to related parties	9,618,152	91,973,261
Prepayments and other current assets	882,086	4,611,334
Total current assets	448,678,036	368,737,800
Noncurrent assets		
Trade receivables, net of current portion	109,443,712	67,950,855
Land for future development	12,572,000	34,664,332
Property and equipment	8,198,114	8,470,654
Other non-current assets	253,019	391,168
Total noncurrent assets	130,466,845	111,477,009

Total assets	<u>P579,144,881</u>	<u>P480,214,809</u>
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	P71,702,625	P128,811,097
Deferred income on real estate sales, current portion	-	10,105,959
Reserves for property development	-	23,813,959
Borrowings, current portion	21,007,431	44,826,817
Advances from an associate	771,152	-
Income tax payable	3,789,250	-
Total current liabilities	<u>97,270,458</u>	<u>207,557,832</u>
Noncurrent liabilities		
Trade and other payables, net of current portion	24,778,269	1,592,795
Deferred income on real estate sales, net of current portion	-	12,352,655
Borrowings, net of current portion	138,836,718	175,288,415
Deferred tax liability	-	851,671
Total noncurrent liabilities	<u>163,614,987</u>	<u>190,085,536</u>
Total liabilities	<u>260,885,445</u>	<u>397,643,368</u>
Equity		
Share capital	110,809,400	50,000,000
Share premium	162,400,779	-
Retained earnings	45,049,257	32,571,441
Total equity	<u>318,259,436</u>	<u>82,571,441</u>
Total liabilities and equity	<u>P579,144,881</u>	<u>P480,214,809</u>

1.99x Increase in Cash

Increase in cash was brought about by the receipt of IPO proceeds of Php 207,439,200.

.78x Increase in Receivables

The company had a bulk sale in December 2015 of 10th floor of Primavera Residences Tower B which brought about the increase in receivables. Said bulk sale is under bank financing mode of payment.

1.99x Increase in Real Estate Inventory

The company was using percentage of completion method in recognizing its inventory. And since the building is almost 100% completed, it caused the inventory to increase.

.90x Decrease in Due from Related Parties

Decrease in due from related parties was attributable to payments received from stockholders and affiliated companies of their advances.

.81x Decrease in Prepaid Expenses

Included in the Prepaid Expenses account are tax credits which were applied as tax payment for taxable year 2014 which caused the decrease.

.03x Decrease in Property and Equipment

Adding back the depreciation, there was 29% increase in property and equipment due to furnishings of units under lease.

.35x Decrease in Other Non-Current Assets

Included Increase in other non-current assets was due to adjustment in the security deposit paid to SM regarding rental of kiosk.

.26x Decrease in Trade and Other Payables

The decrease was largely due to payment to contractors. In December 2015, the company received IPO proceeds, part of it was used to retire existing obligations.

.38x Increase in Retained Earnings

The company earned Php 44,476,216 for the period which brought about the increase in retained earnings.

2015 Results of Operation

	2015 (Audited)	2014 (Audited)
Net sales	P216,532,928	P133,884,986
Cost of sales	(139,262,823)	(71,855,755)
Gross profit	77,270,105	62,029,231
Realized gross profit	56,652,776	18,998,620
Deferred gross profit	(34,194,162)	(15,263,051)
	99,728,719	65,764,800
General and administrative expenses	(48,589,393)	(43,498,087)
Profit from operations	51,139,326	22,266,713
Other operating income, net	15,837,385	11,120,300
Finance income	1,011,142	1,581,363
Finance costs	(15,006,734)	(12,426,988)
Profit (loss) before tax	52,981,119	22,541,388
Benefit from (provision for) income tax	(8,504,903)	(4,184,463)
Profit (loss) for the year	P44,476,216	P18,356,925
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	P44,476,216	P18,356,92

Italpinas reported a net income of Php 44,476,216 for the year.

Results of Operation as at 31 December 2015 compared to as at 31 December 2014

.62x Increase in Real Estate Sales

In 2015, the company sold 70 units as against 62 units sold in 2014 which caused the increase.

.36x Decrease in Interest Income

Some of the sales under in-house financing were already fully paid in 2015 which caused the decrease in interest income.

.94x Increase in Cost of Sales

Increase in sales correspondingly increased cost.

.48x Decrease in Selling Expenses

The company has existing policy that commission is payable upon collection. And in 2015, the company generated bulk sales at the last part of the year in which commission have not yet been paid. This non-payment of commission for said bulk sales caused the selling expenses to decrease.

2014 Financial Condition

As of December 31, 2014, the Company had total assets of PHP 480,214,809. Likewise, the Company remains liquid with current assets amounting to PHP 368,737,800 as against its current obligations of PHP 208,409,503.

The Company assets are comprised primarily of real estate inventory, receivables and investment property. There was no increase in the real estate inventory since the Company's next project Primavera City is planned for launch in the 3rd quarter of 2015.

IDC's receivables are composed mainly of installment contracts receivables from buyers. As of 31 December 2014, none of its receivables have been classified as 'Past Due' or 'Impaired'. Bulk of these receivables is expected to be collected in 2015 thru buyer's availment of bank financing and Company's availment of bank CTS facility for its receivables under in-house and deferred financing.

The investment of the Company represents land intended for future projects, land in Cagayan de Oro which will be used to construct Primavera City and land in Sto. Tomas Batangas which will be used to construct the next project of the Company.

To further fuel its growth, the Company acquired development loan for each project. Landbank loan was acquired for Primavera Residences Tower A and BPI loan was acquired for Primavera Residences Tower B. Debt-to-Equity ratio is 4.82x in 2014.

In 2014, the Company's equity increased by 29% due to net income for the year of PHP 18,356,925.

Financial Condition as at 31 December 2014 compared to as at 31 December 2013

	2014 (Audited)	2013 (Audited)
ASSETS		
Current assets		
Cash on hand and in banks	P52,234,345	P20,294,416
Trade and other receivables	65,150,211	33,842,232
Real estate inventories	29,688,054	236,424,654
Property development costs	77,691,948	-
Input VAT	47,388,647	-
Advances to related parties	91,973,261	-
Deferred Tax Asset	-	2,858,591
Prepayments and other current assets	4,611,334	53,788,736
Total current assets	368,737,800	347,208,629
Noncurrent assets		
Trade receivables, net of current portion	67,950,855	79,029,649
Land for future development	34,664,332	34,664,332
Property and equipment	8,470,654	7,388,057
Other non-current assets	391,168	14,865,370
Total noncurrent assets	111,477,009	135,947,408
Total assets	P480,214,809	P483,156,037
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	P128,811,097	P177,988,671
Deferred income on real estate sales, current portion	10,105,959	17,143,186
Reserves for property development	23,813,959	-
Borrowings, current portion	44,826,817	-
Advances from an associate	-	-
Income tax payable	-	-

Other liabilities	-	250,080
Total current liabilities	207,557,832	195,381,937
Noncurrent liabilities		
Trade and other payables, net of current portion	1,592,795	149,146,587
Deferred income on real estate sales, net of current portion	12,352,655	9,050,997
Borrowings, net of current portion	175,288,415	65,362,000
Deferred tax liability	851,671	-
Total noncurrent liabilities	190,085,536	223,559,584
Total liabilities	397,643,368	418,941,521
Equity		
Share capital	50,000,000	50,000,000
Share premium	-	-
Retained earnings	32,571,441	14,214,516
Total equity	82,571,441	64,214,516
Total liabilities and equity	P480,214,809	P483,156,037

1.57x Increase in Cash

The increase in cash was due to payment of advances received from stockholders and affiliated companies.

.12x Increase in Receivables

The increase in receivables was brought about by sales to new buyers.

.34x Decrease in Real Estate Inventory

The decrease in real estate inventory was due to sales to new buyers.

1.44x Increase in Due from Related Parties

The increase in due from related parties was attributable to additional advances to stockholders and affiliated companies.

2.78x Increase in Prepaid Expenses

The increase in prepaid expenses was due to payment of 2013 income tax. Upon restatement of 2013 audited FS, there was a benefit from income tax instead of a provision due to NOLCO. Creditable expanded withholding taxes also brought about the increase.

.36x Increase in Property and Equipment

The increase in property and equipment pertains to purchases of furniture for leasable units.

.97x Decrease in Other Non-Current Assets

The decrease is attributable to application of deferred input taxes.

.42x Decrease in Trade and Other Payables

The decrease was largely due to payment to contractors.

1.25x Increase in Customer's Deposit

The increase was due to deposit from renters of units for leasing.

1.29x Increase in Retained Earnings

Net income in 2014 of PHP 18,356,925 increased the retained earnings.

2014 Results of Operation

	2014	2013
	(Audited)	(Audited)
Net sales	P133,884,986	P136,408,062
Cost of sales	(71,855,755)	(84,923,454)
Gross profit	62,029,231	51,484,608
Realized gross profit	18,998,620	12,881,052

Deferred gross profit	<u>(15,263,051)</u>	(23,924,397)
	65,764,800	40,441,263
General and administrative expenses	<u>(43,498,087)</u>	(34,890,892)
Profit from operations	22,266,713	5,550,371
Other operating income, net	11,120,300	1,084,579
Finance income	1,581,363	3,140,877
Finance costs	<u>(12,426,988)</u>	(7,334,924)
Profit (loss) before tax	22,541,388	2,440,903
Benefit from (provision for) income tax	<u>(4,184,463)</u>	2,858,591
Profit (loss) for the year	P18,356,925	P5,299,494
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	<u>P18,356,92</u>	<u>P5,299,494</u>

IDC reported a net income of PHP 18,356,925 in 2014 which is 246% higher compared to 2013. It includes forfeited collections from defaulting buyers which were treated as miscellaneous income.

Results of Operation as at 31 December 2014 compared to as at 31 December 2013

.02x Decrease in Real Estate Sales

The decrease in real estate sales was due to a number of sales which did not meet sales recognition criteria as of period end.

.5x Decrease in Interest Income

Interest income is derived from sales thru in-house financing and some of which were already fully paid in 2014.

.15x Decrease in Cost of Sales

Costing in 2013 was overstated.

.53x Increase in Selling Expenses

Increase was due to additional promotional campaigns and marketing activities conducted by the Company.

.15x Increase in General and Administrative Expenses

Increase was brought about by IPO related expenses.

2013 Financial Condition

As of December 31, 2013, the Company had total assets of PHP 483,156,037. Likewise, the Company remains liquid with current assets amounting to PHP 347,208,629 as against its current obligations of PHP 178,238,751.

The company assets are comprised primarily of real estate inventory, receivables and investment property. The 205% increase in real estate inventory was due to the construction of Primavera Residences Tower B.

IDC' receivables are composed mainly of installment contracts receivables from buyers. As of 31 December 2013, none of its receivables have been classified as 'Past Due' or 'Impaired'. Bulk of these receivables is expected to be collected in 2014 thru buyer's avilment of bank financing and Company's avilment of bank CTS facility for its receivables under in-house and deferred financing.

The investment of the Company represents land intended for future projects, land in Cagayan de Oro which will be used to construct Primavera City and land in Sto. Tomas Batangas which will be used to construct the new development of the Company.

To further fuel its growth, the Company acquired development loan for each project. Landbank loan was acquired for Primavera Residences Tower A and BPI loan was acquired for Primavera Residences Tower B.

Debt-to-Equity ratio is 6.52x in 2013. In 2013, the Company's equity increased by 9% due to net income for the year of Php 5,299,494.

Financial Condition as at 31 December 2013 compared to as at 31 December 2012

	2013 (Audited)	2012 (Audited)
ASSETS		
Current assets		
Cash on hand and in banks	P20,294,416	P8,973,812
Trade and other receivables	33,842,232	69,132,856
Real estate inventories	236,424,654	77,518,104
Property development costs	-	-
Input VAT	-	-
Advances to related parties		
Deferred Tax Asset	2,858,591	-
Prepayments and other current assets	53,788,736	56,814,883
Total current assets	347,208,629	212,439,655
Noncurrent assets		
Trade receivables, net of current portion	79,029,649	20,220,551
Land for future development	34,664,332	-
Property and equipment	7,388,057	791,897
Other non-current assets	14,865,370	2,061,209
Total noncurrent assets	135,947,408	23,073,657
Total assets	P483,156,037	P235,513,312
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	P177,988,671	P34,595,705
Deferred income on real estate sales, current portion	17,143,186	33,000,000
Reserves for property development	-	-
Borrowings, current portion	-	-
Advances from an associate	-	-
Income tax payable	-	-
Other liabilities	250,080	282,917
Total current liabilities	195,381,937	67,878,622
Noncurrent liabilities		
Trade and other payables, net of current portion	149,146,587	29,581,830
Deferred income on real estate sales, net of current portion	9,050,997	15,150,838
Borrowings, net of current portion	65,362,000	63,987,000
Deferred tax liability	-	-
Total noncurrent liabilities	223,559,584	108,719,668
Total liabilities	418,941,521	176,598,290
Equity		
Share capital	50,000,000	50,000,000
Share premium	-	-
Retained earnings	14,214,516	8,915,022
Total equity	64,214,516	58,915,022
Total liabilities and equity	P483,156,037	P235,513,312

1.26x Increase in Cash

The increase was due to fund allotment in December 2013 for payment of loan amortization due in January 2014.

.26x Increase in Receivables

The increase in receivables was brought about by sales to new buyers.

2.05x Increase in Real Estate Inventory

The increase in real estate inventory was due to construction of Primavera Residences Tower B which was partially complete during the said year.

5.89x Decrease in Due from Related Parties

The decrease in due from related parties was attributable to settlement of respective parties of outstanding amounts due from them.

1.00x Increase in Prepaid Expenses

The increase in prepaid expenses was due to payment of 2012 income tax. Upon restatement of 2012 audited financial statement, there was a benefit from income tax instead of a provision due to NOLCO.

5.91x Increase in Property and Equipment

The increase in property and equipment pertains to purchases of furniture for leasable units and securing of office premise in CDO.

1,549.39x Increase in Other Non-Current Assets

The increase was due to recognition of input taxes on operating costs and expenses related to construction.

3.15x Increase in Trade and Other Payables

The increase was largely due to payables to contractors of Tower B.

.51x Decrease in Customer's Deposit

The decrease was due to refund of deposit from renters of units for leasing.

.59x Increase in Retained Earnings

Net income in 2013 of PHP 5,299,494 increased the retained earnings.

2013 Results of Operation

	2013 (Audited)	2012 (Audited)
Net sales	P136,408,062	P200,518,700
Cost of sales	(84,923,454)	(122,706,377)
Gross profit	51,484,608	77,812,323
Realized gross profit	12,881,052	2,306,314
Deferred gross profit	(23,924,397)	(17,457,152)
	40,441,263	62,661,485
General and administrative expenses	(34,890,892)	(23,965,626)
Profit from operations	5,550,371	38,695,859
Other operating income, net	1,084,579	21,235
Finance income	3,140,877	893,950
Finance costs	(7,334,924)	(8,566,317)
Profit (loss) before tax	2,440,903	31,044,727
Benefit from (provision for) income tax	2,858,591	-
Profit (loss) for the year	P5,299,494	P31,044,727
Other comprehensive income	-	-

Total comprehensive income (loss) for the year**P5,299,494****P31,044,727**

IDC reported a net income of PHP 5,299,494 in 2013 which is 83% lower compared to 2012. The bulk of sales for Tower A were in 2012 and what were sold in 2013 are remaining units.

Results of Operation as at 31 December 2013 compared to as at 31 December 2012*.32x Decrease in Real Estate Sales*

The decrease in real estate sales was due to a number of sales which did not meet sales recognition criteria as of period end.

2.51x Increase in Interest Income

Interest income is derived from in-house financing sales and most of it was earned in 2013 upon collection.

.31x Decrease in Cost of Sales

Decrease in sales correspond a decrease in cost.

.23x Increase in Selling Expenses

Increase was due to additional promotional campaigns and marketing activities by the Company.

.55x Increase in General and Administrative Expenses

Increase was brought about by increased manpower.

Furthermore, as at and for the years-ended December 31, 2013, 2014, 2015 and the quarter-ended March 31, 2016:

- The Company recognizes sales when twenty-five percent (25%) of the total contract price of the unit is collected.
- The Company uses different financing schemes for its end-users:
 - Spot Cash is one-time payment with discount within thirty (30) days from reservation.
 - Deferred Payment is the whole contract price equally divided into eighteen (18) months with no interest and no discount.
 - In-house financing is paid through forty percent (40%) down payment payable in fifteen (15) months with zero interest. The remaining balance of sixty percent (60%) is payable in five (5) years with sixteen percent (16%) interest.
- The Company is not aware of any 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.
- IDC is not aware of any event that would trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- 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.
- There are no material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.
- There are no known trends, events, or uncertainties that have had or that are reasonably expected to have materially favourable or unfavourable impact on net revenues or profit from continuing operations.
- The Company is not aware of any significant elements of profit and loss that did not arise from the Company's continuing operations.

Item 4. Brief Description of the general nature and scope of the business of the registrant and its subsidiaries**Description of the Business**

The Company was incorporated and registered with the SEC on January 26, 2009 as Italpinas Euroasian Design and Development Corporation which name was subsequently changed to Italpinas Euroasian Design and Eco-Development Corporation. On July 15, 2015, the SEC approved the change of the Company's name to "**Italpinas Development Corporation**". Its primary purpose is to engage in the business of real estate development wherein

it uses knowledge in architectural design, market and demographic strategy, project development, and sales. The Company's authorized capital stock is Three Hundred Fifty-Five Million Nine Hundred Eighty-Seven Two Hundred (355,987,200) common shares with a par value of PHP 0.50 per share.

The Company's debut project, the Primavera Residences Towers A&B, a mixed use residential condominium, commenced construction in June 2010, and was well received by the market in Cagayan de Oro and among investors countrywide and overseas. The complex consists of two mid-rise (i.e. ten floors) towers, the first tower of which was completed in August 2012. The second tower which started construction in April, 2013 was completed in December, 2015. It is planned to be ready for occupancy and will be turned-over to buyers beginning in the 2nd quarter of 2016.

In December 2012, the Company signed a Contract to Sell with Investment & Capital Corporation of the Philippines ("ICCP") for the acquisition of key property, also in Pueblo de Oro Business Park, Cagayan de Oro, as the site for the upcoming Primavera City project. This Contract to Sell was for the purchase of the first two out of seven contiguous lots. These two initial lots are planned as the site of the initial phase of the Primavera City Project Towers A&B. In addition to the Contract to Sell, the Company also signed a Memorandum of Agreement with ICCP to secure a right of first refusal over the adjacent lots, allowing the Company to execute a broader and more substantial design footprint for this desirable location. As of this writing, the Company has fully paid the first two lots (Lots 6&7, Block 20) and in the process of transferring the title in its name. Also, the Company has already secured Development Permits and Building Permits for its first phase of the project and is currently preparing for the project launch.

Furthering the positive relationship track record with ICCP, the Company also signed a Contract to Sell for the acquisition of land in Sto. Tomas, Batangas as the site for IDC's prospective mixed-use development project, the Miramonti. The site is strategically located adjacent to the Manila-Batangas expressway, the Southern Tagalog Arterial Road ("STAR") Tollway, and directly accessed by the existing expressway exit, which is attractive to both growing local demand as well as the constant flow of all traffic passing between Metro Manila and the Batangas City area. Commercial properties will address a pronounced gap in supply in the Sto. Tomas area, while residential units and serviced apartments will serve the demand for accommodation from growing expatriate markets, transient markets, and from personnel frequenting the industrial and commercial zones between Metro Manila and Batangas port. In a similar strategy to that in Primavera City, an additional Memorandum of Agreement was signed with ICCP to guarantee right of first refusal to the Company over an adjacent lot at the Sto. Tomas site, allowing the Company to plan for expansion in keeping with strong demand forecasts. As of this writing, IDC has fully paid the land in Sto. Tomas, Batangas (Lot 1-A-3, Block 1) for the future site of its Miramonti project - a mixed use of commercial, serviced apartments and residential units.

In addition to the immediate pipeline of projects, the Company continues to pursue wide-ranging analysis and field observations in order to identify additional locales in the Philippines that are consistent with its existing portfolio of hyper-prospective growth nodules in under-valued secondary and tertiary cities. Through a combination of qualitative and quantitative market studies, the Company has identified the following potential areas located in Sto. Tomas and Lipa in Batangas, Cagayan de Oro in Misamis Oriental, Subic in Zambales, Montelago in Oriental Mindoro, Dumaguete in Negros Oriental, and Iloilo City for target acquisitions. Below are the details of potential land acquisitions of IDC. The Company is still in the process of conducting due diligence and validation of these locations.

In line with its commitment to sustainable development, the Company also holds a 25% equity stake in Constellation Energy Corporation ("Constellation" or "CEC"), providing it with strategic exposure to growth in the renewable energy industry and the Philippines' increasing demand for power. Constellation is engaged in the development of renewable energy facilities to provide clean energy to Philippine grids.

Together with its partners and investors, Constellation envisages the development of each project into an independent power producer, producing electricity from natural resources and selling to the grid with electrical cooperatives, individual industrial consumers, and/or other entities as the buyers, or under the Philippine government's Feed-in-Tariff system. Constellation also provides technical consultancy, political and country risk management, financial advisory in connection with the energy field in the Philippines, backed by an extensive network and well-established government and community relations from national to local levels.

Multiple factors now converge in the Philippines to make renewable energy a prospective area. These include the passage of new legislation (the Renewable Act of 2008) that protects and encourages renewable energy development, the price of energy in the Philippines that remains among the highest in the region, as well as a shortage of energy production across the Philippines which represents demand for new generation.

PROJECTS

Primavera Residences

Primavera Residences is located in Pueblo de Oro Township, a world-class master-planned community in flood-free uptown Cagayan de Oro City. Primavera Residences is adjacent to SM City CDO, schools, offices, churches, and a golf course. It is situated inside the Pueblo de Oro Business Park, an export zone registered with the Philippine Export Zone Authority (PEZA). The Company was able to establish itself here as the “first-mover” in introducing condominium living in Cagayan de Oro City.

Primavera Residences has already been recognized for the buildings’ unique design architecture, environmentally friendly features, and the quality of its development. In May 2014, it won the Best Mixed-Use Development in the Philippines Award given by the International Property Awards in Kuala Lumpur. It was also highly commended as one of the Best Condo Developments in the Philippines at the 2011 Southeast Asia Property Awards (SEAPA) held in Singapore in November 2011, and was awarded a Recognition Certificate as a finalist and one of the “most promising clean energy investment opportunities” during the Climate Technology Initiative Private Financing Advisory Network (CTI PFAN) Philippine Clean Energy Investment Forum in Manila on June 21, 2010.

Arch. Nati inspires, conceptualizes, and directs the Company’s designs, including its performance-based design solutions and systems, as well as its unique visual aesthetic. The approval of final architectural plans, as well as any other steps as may be required, is done by duly licensed and accredited Filipino architects.

Primavera Residences is a twin-tower project consisting of Building A, with ten (10) floors and Building B, with ten (10) floors plus mezzanine. The total floor area of both buildings is 19,961 square meters. In Building A, the ground floor is for commercial while the second floor is for office spaces and the multipurpose hall to serve the community. Amenities such as the gym, pool, and green courtyard are at the third floor. Residential units are located from the third floor to the tenth floor. In Building B, the Ground floor is for commercial use, with parking available (to serve both buildings) at the mezzanine and second floors. Residential units are located from the third to the tenth floor, with an open-air playground and socials space found at the third floor. The shared rooftop spanning both buildings features drying cages for the convenience of residents, and will soon showcase a solar panel installation to supply a portion of the energy needs of the building’s common areas. In addition, the buildings are equipped with entrance lobbies, two elevators each, CCTV security cameras, and provision for cable television, landlines, and internet access.

The building showcases green features to both save and generate energy. Façades are shaded by cantilevered ledges that protect windows from direct contact with the sun’s rays during the hottest times of the day. The dimensions and placement of these ledges are optimized by the use of parametric design software, taking into account the exact path traveled by the sun through the sky, each day throughout the year, at the building site’s precise latitude on the earth.

The building is also designed to decrease indoor temperature by increasing natural ventilation. This is achieved through green strategies including an inner courtyard that functions as a natural chimney, drawing warmer air upward from the 3rd floor through the top of the building, which, in turn, creates natural suction of cooler air laterally inward from the building’s exterior. The design of individual units also channels this movement of air to significantly enhance cross-ventilation in each household.

The precise management of shading features allows larger window designs without raising temperature. Together with the open inner courtyard, this optimizes natural lighting throughout units and common areas without the heating effects of unmitigated sunlight, resulting in further energy savings.

The two buildings have an aggregate of three hundred twenty-one (321) residential units, twenty (20) commercial units, eleven (11) office units, and fifty-two (52) parking slots.

By the end of 2015, 156 out of total 162 units of Tower A were sold. Tower A was completed and turned over last 09 December 2012. As of 31 December 2015, 69% or 166 units of Tower B were sold. Tower B was completed and expected turnover is on the 2nd quarter of 2016.

PLANS AND PROSPECTS

Primavera City

The area's defining real estate project will be comprised of seven mixed-use residential and commercial buildings with passive and active green features and utilizing a massive solar panel array at the building's rooftop, the Primavera City bested over 100 other clean energy projects across Asia in real estate competitions.

Primavera City has also been awarded by the Climate Technology Initiative Private Financing Advisory Network (CTI PFAN), whose funding partners include the Asian Development Bank (ADB) and the United States Agency for International Development (USAID), as among the top ten "Most Promising Clean Energy Investment Opportunities" projects in a competition held in Singapore on February 22, 2013.

Also located near SM City CDO in the Pueblo de Oro Business Park, Primavera City is designed as a seven-building cluster and is planned to be constructed in four (4) phases as follows: Phase 1 to consist of the first and second buildings on the first two contiguous lots; Phase 2 to consist of the third and fourth buildings on the next two contiguous lots; Phase 3 to consist of the fifth and sixth buildings on the next two contiguous lots; and Phase 4 to consist of a single high-rise building on the last (seventh) of the contiguous lots. The start of construction of Phase 1 is planned to commence by second quarter of 2016 and is expected to be completed by second quarter of 2018.

This eleven-storey mixed-use development is designed to have one (1) floor parking, one (1) floor of basement parking, one (1) floor commercial, two (2) floor offices, eight (8) floors of residential space, and a roof deck featuring amenities like a pool, a gym, a multipurpose function hall, and a roof garden. Each building is planned to feature an array of photovoltaic panels that will generate energy for the building's consumption. In addition, passive green features of the building's design will significantly reduce the energy required for air-conditioning.

The second phase – Primavera City Towers C&D is slated for construction by 1st quarter of 2018 and planned for completion by 2nd quarter, 2020.

The third phase- Primavera City Towers E&F is scheduled for development by 1st quarter of 2020 and targeted for completion by 2nd quarter, 2022. The 4th phase – Primavera City Tower G is planned as a high rise mixed use condominium scheduled for development by 2022- 2024.

Primavera City Towers A and B will be financed through a mix of equity and debt as this has been the current business model of the Company. Twenty to Thirty percent (20% to 30%) of the total project cost will be financed through equity. The equity will come partly from the proceeds from the IPO allotted under the Capital Expenditure. The remaining seventy to eighty percent (70% to 80%) of the total project cost will be financed through debt, specifically, development loans from bank(s).

Other Projects

Plans for upcoming projects- the Miramonti project are currently being finalized.

The Company is in the process of acquiring the first of two neighboring lots, which together form a 7,143 square meter property located at San Rafael, Municipality of Sto. Tomas, Province of Batangas. (Lot 1-A-3, consisting of 1,796 square meters). As of this writing, the Company has fully paid this lot and the title is the process to be transferred to the Company. In addition, a land area of 162 sqm to be carved out of the road lot fronting the property is being acquired to be consolidated in the title. This additional lot area will rectify the configuration of the land into rectangular shape instead of its present state which is trapezoidal. The second lot (Lot 1 Block 3-A, consisting of 5,347 square meters) is subject to a right of first refusal in the Company's favor.

Based on initial assessments of the Company, the best use for this property is deemed to be a mixed-use mid- to high-rise development comprising of commercial, serviced apartments and residential units featuring the Company's eco-friendly design philosophy. Based on the completed concept design, this project is named as the "Miramonti Project". After the conclusive results of the detailed geotechnical soil study, the architectural and engineering plans are being prepared and slated for completion by end of second quarter, 2016. It is strategically located at the RFM Science Park, a PEZA registered zone located in Sto. Tomas, Batangas, which is a combination of existing and planned residential and light industrial usage, which is seen as an existing market for the project's commercial, serviced apartments and residential products.

The site is strategically located adjacent to the Manila-Batangas expressway, the Southern Tagalog Arterial Road ("STAR") Tollway, and directly accessed by the existing expressway exit, which is attractive to both growing

local demand as well as the constant flow of all traffic passing between Metro Manila and the Batangas City area. Commercial properties will address a pronounced gap in supply in the Sto. Tomas area, while residential units and serviced apartments will serve the demand for accommodation from growing expatriate markets, transient markets, and from personnel frequenting the industrial and commercial zones between Metro Manila and Batangas port.

The Company is currently planning more projects in the pipeline in diverse locations which may include Lipa in Batangas, Cagayan de Oro in Misamis Occidental, Subic in Zambales, Montelago in Oriental Mindoro, Dumaguete in Negros Oriental, and Iloilo City in Iloilo Province.

DIRECTORS AND EXECUTIVE OFFICERS

The Board of Directors is responsible for the overall management and direction of the Company. Each director has a term of office of one year and is eligible for re-election every year. Each director beneficially owns at least one share of the capital stock of the Company.

By resolution passed by the majority of the Board, the Directors may designate one or more committees which, to the extent provided by said resolution, shall have and may exercise any of the powers of the Board which may lawfully be delegated in the management of the business and affairs of the Company.

The officers of the Company are elected or appointed by the Board of Directors. The Chairman of the Board and the President/Managing Director are elected from the members of the Board.

Board of Directors

The members of the Board and Principal Officers of the Company are as follows:

Name	Nationality	Position	Date of Last Election / Appointment
Romolo Nati	Italian	Director, Chairman and Chief Operating Officer	August 20, 2015
Jose D. Leviste III	Filipino	Director/President	August 20, 2015
Shennan A. Sy	Filipino	Director, Treasurer	August 20, 2015
Antonio R. Samson	Filipino	Director	August 20, 2015
Jose M. Periquet, Jr.	Filipino	Independent Director	August 20, 2015
Jose G. Araullo	Filipino	Independent Director	August 20, 2015
Christine P. Base	Filipino	Director/Corporate Secretary	August 20, 2015

The members of the Board of Directors are elected during each regular meeting of the stockholders and shall hold office for one (1) year and until successors are elected and qualified.

Profile and Business Experience of the Board of Directors

Following are descriptions of the business experience of the Company’s directors and officers for the last five (5) years:

Executive Officers

Arch. Romolo Valentino Nati

Chairman of the Board of Directors, Chief Operating Officer

47 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

Director, President

36 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. 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. Atty. Leviste is also President of Constellation Energy Corporation and as well as Asian Arc Philippines. He is a Director of Pacific Rim Innovation and Management Exponents, Inc. and Ankar Pharma.

Atty. Shennan A. Sy

Director, Treasurer

46 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. Antonio R. Samson

Director

69 years old, Filipino, is the Director of the Company. He is also the Independent Director of Vantage Equities, Inc. and Yehey! Corporation and the Director of Business Services, Inc. Con-currently, he is the President of the Manila Chamber Orchestra Foundation and the Metropolitan Museum and the Chairman of the Advertising Foundation. He is also a columnist of Business World and Business Day Magazine. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and Masters of Business Administration from Asian Institute of Management.

Mr. Jose M. Periquet

Independent Director

70 years old, Filipino, has been the Chief Executive Officer and President of Metropolitan Insurance Company, Inc., since 1999. Mr. Periquet has been employed by Metropolitan Insurance since November 11, 1985, when he joined as Acting President, Manager and served as its President & Manager since December 13, 1985. He served as Senior Vice President of AIU (Phils.) Inc. He served in a number of managerial roles with AIU (Philippines), Inc. Mr. Periquet serves as a Director of MIC Holdings Inc., Bradstock Insurance Brokers Inc. and The Athenaeum Condominium Corporation. He served as a Non-Executive Director of Pepsi-Cola Products Philippines, Inc., since 2007. He served as a Director of Mic Holdings Corp. Mr. Periquet holds a A.B majoring in Economics from Ateneo de Manila and a M.A. in Economics from Fordham University.

Mr. Jose G. Araullo

Independent Director

77 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.

Atty. Christine P. Base

Director, Corporate Secretary

44 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.

Item 5. Market Price of and Dividends required

MARKET INFORMATION

- (a) The principal market of the Company's shares of stock is the Philippine Stock Exchange. The closing prices of the Company's share for each quarter for the last two fiscal years were as follows:

Year	Quarter	High	Low	Closing Price (in Php)
2014	First	n/a	n/a	n/a
	Second	n/a	n/a	n/a
	Third	n/a	n/a	n/a
	Fourth	n/a	n/a	n/a
2015	First	n/a	n/a	n/a
	Second	n/a	n/a	n/a
	Third	n/a	n/a	n/a
	Fourth	3.46	3.20	3.25

- (b) The closing price of the Company's stocks as of the latest practicable trading dates were as follows:

Year	Month	high	Low	Closing Price (in Php)
2016	January	2.79	2.39	2.51
	February	2.69	2.48	2.60
	March	3.32	3.20	3.20

At present, the Company has an authorized capital stock of One Hundred Seventy Seven Million Nine Hundred Ninety Three Thousand Six Hundred Philippine Pesos (PHP 177,993,600) divided into Three Hundred Fifty Five Million Nine Hundred Eighty Seven Thousand Two Hundred (355,987,200) common shares with a par value of Fifty Centavos (PHP 0.50), of which Two Hundred Twenty One Million Six Hundred Eighteen Thousand Eight Hundred (221,618,800) shares are issued and outstanding. The increase in authorized capital stock was approved on July 5, 2015.

The Board of Directors of the PSE approved the listing of the Common Shares on November 11, 2015. The Common Shares are not subject to outstanding options or warrants to purchase, or securities convertible into Common Shares. The Offer Shares was listed on December 7, 2015 under the stock symbol "IDC" on the SME Board of the Exchange.

No stockholder shall have a right to purchase or subscribe to any additional share of the capital stock of the Company whether such shares of capital stock are now or hereafter authorized, whether or not such stock is convertible into or exchangeable for any stock of the Company or of any other class, and whether out of the number of shares authorized by the Articles of Incorporation of the Company as originally filed, or by any amendment thereof, or out of shares of the capital stock of any class of the Company acquired by it after the issue thereof; nor shall any holder of any such stock of any class, as such holder, have any right to purchase or subscribe for any obligation which the Company may issue or sell that shall be convertible into, or exchangeable for, any shares of the capital stock of any class of the Company or to which shall be attached or appertain any warrant or warrants or any instrument or instruments that shall confer upon the owner of such obligation, warrant or instrument the right to subscribe for, or to purchase from the Company, any shares of its capital stock of any class.

The Board of Directors may, from time to time, grant stock options, issue warrants or enter into stock purchase or similar agreements for purposes necessary or desirable for the Company and allocate, sell or otherwise transfer, convey or dispose of shares of stock of the Company of a class or classes and to such persons or entities to be determined by the Board of Directors including, but not limited, to employees, officers and directors of the Company.

Further, no transfer of stock which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as may be required by law shall be allowed or permitted to be recorded in the proper books of the Company.

STOCKHOLDERS

The following are the stockholders of the Company:

Name	Nationality	No. of Shares Subscribed and paid	Percentage to Total Outstanding Shares
Jose D. Leviste, III	Filipino	81,337,165	36.701%
Romolo Nati	Italian	73,527,965	33.178%
PCD Nominee Corporation (Filipino)	Filipino	57,378,000	25.890%
PCD Nominee Corporation (Foreign)	Foreign	244,000	0.11%
Marito H. Garcia	Filipino	5,851,078	2.640%
Antonio B. Herbosa	Filipino	3,279,936	1.480%
Shennan A. Sy	Filipino	328	Nil
Antonio R. Samson	Filipino	325	Nil
Jose G. Araullo	Filipino	1	Nil
Jose M. Periquet	Filipino	1	Nil
Christine P. Base	Filipino	1	Nil
	TOTAL	221,618,800	100.00%

(3) Dividends

DIVIDEND HISTORY

The Board of Directors of the Corporation in a special meeting held on January 30, 2015 declared stock dividends of 0.64 for every one (1) share owned by all the holders of the Company's Common Shares in the amount of PHP 31,998,400.00 to all stockholders of record as of January 30, 2015. There were no discussions of any cash or stock dividends for the last two years except on the above aforementioned.

RECENT SALES OF UNREGISTERED/EXEMPT SECURITIES

Within the past year, the Corporation has not undertaken nor have entered into any recent sale of any unregistered or exempt securities, including recent issuances of securities constituting an exempt transaction.

CORPORATE GOVERNANCE

The Company has promulgated a Manual on Corporate Governance that took effect in 2015. The Manual continues to guide the activities of the Company and compliance therewith has been consistently observed.

There has been no deviation from the Company's Manual on Corporate Governance.

The Company believes that its Manual on Corporate Governance is in line with the leading practices and principles on good governance, and such, is in full compliance.

The Company will improve its Manual Corporate Governance when appropriate and warranted, in the Board of Directors' best judgment. In addition, it will be improved when a regulatory agency such as the SEC requires the inclusion of a specific provision.

The Board

There is an effective and appropriately constituted Board who received relevant information required to properly accomplish their duties.

The Nomination Committee is mandated to ensure that there is a formal and transparent procedure for the appointment of new Directors of the Board. When appropriate, every director shall receive training, taking into account his individual qualifications and experience. Training is also available on an ongoing basis to meet individual needs.

The term of office of all directors, including independent directors and officers shall be one (1) year and until the successors are duly elected and qualified.

Board Process

Members of the Board shall meet when necessary throughout the year to adopt and review its key strategic and operational matters; approve and review major investments and funding decision; adopt and monitor appropriate internal control; and ensure that the principal risks of the Company are identified and properly managed.

The Board shall work on an agreed agenda as it reviews the key activities of the business.

The Corporate Secretary is responsible to the Board and is available to individual Directors in respect of Board procedures. Atty. Christine P. Base holds the post.

Committees

The Board has established a number of committees with specific mandates to deal with certain aspects of its business. All of the Committees have defined terms of reference.

Audit Committee

The Audit Committee functions under the terms of reference approved by the Board. It meets at least twice a year and its roles include the review of the financial and internal reporting process, the system of internal control and management of risks and the external and internal audit process. The Audit Committee reviews the scope and results of the audit with external auditors and obtains external legal or other independent professional advice where necessary.

Other functions of the Audit Committee include the recommendation of the appointment or re-appointment of external auditors and the review of audit fees.

Nomination Committee

The Committee assesses and recommends to the Board candidates for appointment of executive and non-executive directors positions. The Committee also makes recommendations to the Board on its composition. The Committee meets as required.

Remuneration Committee

The Remuneration Committee is responsible in determining the Company's policy on executive remuneration and in specifying the remuneration and compensation packages on the employment or early termination from office of each of the executive directors of the Company. All decisions of the Remuneration Committee are only recommendatory and they are referred to the Board for final approval. The Remuneration Committee also monitors the compensation packages of other senior executives in the group below the Board level. The Committee meets as required.

Compliance Officer

The Compliance Officer (CO) is responsible for ensuring that the Company's corporate principles are consistently adhered to throughout the organization. The CO acts independently and her role is to supply the top management with the necessary information on whether the organization's decisions comply with professional rules and regulations, internal directives, regulatory authorities, and the statutory law. The Company designated Atty. Christine P. Base as its Compliance Officer.