

# **ITALPINAS DEVELOPMENT CORPORATION**

## **NOTICE OF ANNUAL STOCKHOLDERS' MEETING**

**AND**

## **INFORMATION STATEMENT (SEC FORM 20-IS)**

**July 11, 2016  
At 9:00 AM – 10:30 AM  
Manila Polo Club, McKinley Road, Forbes Park, Makati City**

**ITALPINAS DEVELOPMENT CORPORATION**

Unit 9-A, 9<sup>th</sup> Floor, Country Space I Building, 137 Senator Gil Puyat Avenue, Salcedo Village, Makati City  
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, McKinley Road, Forbes Park, Makati City on **July 11, 2016, at 9:00 AM – 10:30 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 August 20, 2015;
5. Report of the President;
6. Presentation and approval of the Financial Statements as of December 31, 2015;
7. Ratification of acts of the Board of Directors and Officers;
8. Election of the members of the Board of Directors;
9. Appointment of external auditors;
10. Amendment of the Company's By-laws to include Chief Executive Officer;
11. Other Matters; and,
12. Adjournment.

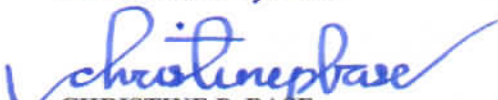
Minutes of the Regular Meeting of the Stockholders held on August 20, 2015 will be available for examination during office hours at the Office of the Corporate Secretary.

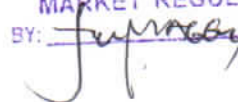
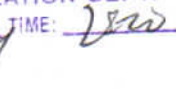
The Board has fixed the close of business hours on June 3, 2016 as the record date for the determination of stockholders entitled to notice of meeting and to vote at the specified election date.

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 8:30 am. Please bring this notice and any form of identification such as driver's license, TIN card, passport, etc. to facilitate registration.

Makati City, June 1, 2016.

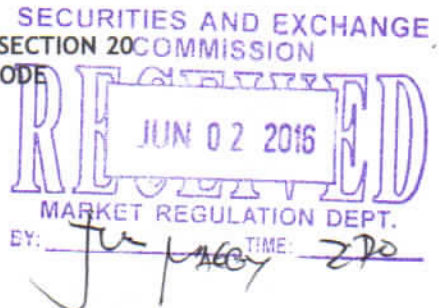
  
**CHRISTINE P. BASE**  
Corporate Secretary

SECURITIES AND EXCHANGE  
COMMISSION  
**REGISTERED**  
**RECEIVED**  
JUN 02 2016  
MARKET REGULATION DEPT.  
BY:  TIME: 

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. Name of Registrant as specified in its charter ITALPINAS DEVELOPMENT CORPORATION
3. METRO MANILA, PHILIPPINES  
 Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number CS200900917
5. BIR Tax Identification Code 007213353
6. Unit 9-A, 9<sup>th</sup> Floor, Country Space I Building,  
137 Senator Gil Puyat Avenue, Salcedo  
Village, Makati City  
 Address of principal office Postal Code
7. Registrant's telephone number, including area code (02)893-0328
8. July 11, 2016 at 9:00 - 10:30 AM at Manila Polo Club, McKinley Road, Forbes Park, Makati City  
 Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to security holders  
June 20, 2016
10. In case of Proxy Solicitations:  
Name of Person Filing the Statement/Solicitor: n/a  
Address and Telephone No.: n/a
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
 

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common	221,618,800
12. Are any or all of registrant's securities listed in a Stock Exchange?  
 Yes  No   
 If yes, disclose the name of such Stock Exchange and the class of securities listed therein:  
Philippine Stock Exchange

## ITALPINAS DEVELOPMENT CORPORATION INFORMATION STATEMENT

### PART I.

#### A. GENERAL INFORMATION

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

**Date** : July 11, 2016  
**Time** : 9:00 AM to 10:30 AM  
**Place** : **Manila Polo Club, McKinley Road, Forbes Park, Makati City**  
**Principal Office:** **Unit 9-A, 9<sup>th</sup> Floor, Country Space I Building, 137 Senator Gil Puyat Avenue, Salcedo Village, Makati City**

**Approximate Date of Distribution to Security Holders: June 20, 2016 ( 15 business days prior to ASM)**

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

##### Item 2. Dissenters' Right of Appraisal

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

Pursuant to *Section 81 Title X, Appraisal Right, 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: (1) 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 82 of the 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 83 of the 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 86, Corporation Code*). No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Corporation consents thereto (*Section 84, Corporation Code*).

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

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

Other than the 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 the Company in writing of his intentions to oppose any action to be taken by the Company during the Annual Stockholders' Meeting.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **A. CONTROL AND COMPENSATION INFORMATION**

#### **ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As of April 27, 2016, there are 221,618,800 subscribed, issued and outstanding common shares entitled to vote at the meeting, with each share entitled to one vote.

All stockholders of record at the close of business hours on June 3, 2016 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 or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of May 25, 2016 multiplied by the whole number of directors to be elected.

## Security Ownership of Certain Record & Beneficial Owners and Management

### (1) Security Ownership of Certain Record and Beneficial Owners of more than 5%

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 as of March 31, 2016 are as follows:

Title of class	Name and address of record owner and relationship with issuer	Name of beneficial owner and relationship with record owner	Citizenship	No. of shares	Percentage held per class	Percentage held out of the total outstanding common shares
Common	<b>Jose D. Leviste, III</b> Twin Tower, Wack-Wack Road, Mandaluyong	Same	Filipino	81,337,165	36.701%	36.701%
Common	<b>Romolo Nati</b> Frabella Condominium Rada St., Legaspi Village, Makati City	Same	Italian	73,527,965	33.178%	33.178%
Common	<b>PCD Nominee Corporation (Filipino)</b> The Enterprise Center, Makati City	n/a	Filipino	57,385,900	25.894%	25.894%

As of March 31, 2016, the following are known to the Company as participants of the PCD holding 5% or more of the Company's common shares:

Member Name / Address	Title	No. of Shares	Percentage Held
<b>SJ Roxas &amp; Co., Inc.</b> Tower 1 and Exchange Plaza, Ayala Avenue, corner Paseo de Roxas Street, Makati City	Common	11,747,000	20.386%
<b>Abacus Securities Corporation</b> TÜV Süd PSB Philippines Inc., 1808, San Antonio, Pasig	Common	8,042,040	13.957%
<b>COL Financial Group, Inc.</b> East Tower, Philippine Stock Exchange Centre, Exchange Rd., Ortigas Center Pasig	Common	7,440,675	12.913%
<b>DA Market Securities, Inc.</b> Fort Palm Spring, 30th St, Taguig	Common	6,474,000	11.235%
<b>Unicapital Securities, Inc.</b> Majalco Building, Benavidez corner Trasierra Streets, Legaspi Village, Makati City	Common	4,985,500	8.652%
<b>TOTAL</b>		<b>38,689,215</b>	<b>67.116%</b>

## (2) Security Ownership of Management

The following is a summary of the aggregate shareholdings of the Company's directors and executive officers in the Company and the percentage of their shareholdings as of March 31, 2016:

Name of Beneficial Owner / Address	Citizenship	Title of Class	Amount and Nature of Beneficial Ownership	Percentage Per Class of Share	Percentage Held Out of the Total Outstanding Shares
<b>Jose D. Leviste, III</b> President Twin Tower, Wack-Wack Road, Mandaluyong	Filipino	Common	81,337,165 Direct	36.7%	36.7%
<b>Romolo Nati</b> Chairman Frabella Condominium Rada St., Legaspi Village, Makati City	Italian	Common	73,527,965 Direct	33.18%	33.18%
<b>Jose M. Periquet</b> Independent Director Edades St. San Lorenzo Village, Makati City	Filipino	Common	1 Direct	nil	nil
<b>Shennan Sy</b> Director/Treasurer Medalla-Milagros St., Greensville II Subd., Bacolod City, Negros Occidental	Filipino	Common	328 Direct	nil	nil
<b>Antonio R. Samson</b> Director No. 22 Upper McKinley Road, McKinley Hill, Fort Bonifacio	Filipino	Common	325 Direct	nil	nil
<b>Jose G. Araullo</b> Independent Director Bonifacio Dr. Brgy. Silang Crossing West, Tagaytay City	Filipino	Common	1 Direct	nil	nil
<b>Christine P. Base</b> Director/ Corporate Secretary 8 <sup>th</sup> Floor Chatham House Bldg. Valero Cor. Rufino sts. Salcedo Village Makati City	Filipino	Common	201,001 Direct	0.09%	0.09%
<b>TOTAL</b>			155,066,786	69.67%	69.67%

### (3) Voting Trust Holders of 5% or More

There is no voting trust or similar arrangement executed among holders of five percent (5%) or more of the issued and outstanding shares of common stock of the Company.

### (4) Description of any arrangement which may result in a change in control of the Registrant

The Company is not aware of any arrangement or agreement which may change control of the Company.

## ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

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 shareholder of record as of June 3, 2016 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.

The Corporate Secretary or Assistant 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.

### (1) Board of Directors and Executive Officers

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

<u>Name</u>	<u>Age</u>	<u>Office</u>	<u>Year of Assumption of Office</u>	<u>No. of Years/Month</u>
Jose D. Leviste, III	37	Director	2009	7 years
		President		
Romolo Nati	48	Chairman	2009	7 years
		Chief Operating Officer		
Jose M. Periquet	71	Independent Director	2015	1 year
Jose G. Araullo	77	Independent Director	2015	1 year
Antonio R. Samson	70	Director	2015	1 year
Christine P. Base	45	Director/ Corporate Secretary	2015	1 year.
Shennan A. Sy	47	Director/Treasurer	2009	7 years
Harold J. Dacumos	62	SVP for Banking and Business Operations Management	2010	6 years
Mary Ann B. Lopez	49	VP for Finance and Administration	2013	3 years



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 and Manual on Corporate Governance of the Corporation. The following are the procedures for the nomination and election of independent directors of the Company:

- A. All nominations for directors to be elected by the Stockholders of the Corporation shall be submitted in writing to the Corporate Secretary of the Corporation at the principal office of the Corporation not earlier than forty (40) days nor later than twenty (20) days prior to the date of the regular or special meeting of stockholders for the election of directors. Nominations which are not submitted within such nomination period shall not be valid. Only stockholder of record entitled to notice and vote at the regular or special meeting of the stockholders for the election of the directors shall be qualified to be nominated and elected a director of the Corporation (*Section 9, By Laws*).
- B. All nominations shall be signed by the nominating stockholder/s together with the acceptance and conformity of the would-be nominees (SRC Rule 38). After the nomination, the Nomination Committee shall prepare a Final List of Candidates, which shall contain all the information about all the nominees for independent directors. The list shall be made available to the Securities and Exchange Commission and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, or in such other reports the Corporation is required to submit to the Commission. The name of the person or group of person who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.
- C. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as an Independent Director. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting.
- D. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing an independent director. He shall ensure that an independent director is elected during the stockholders' meeting.
- E. The specific slot for an independent director shall not be filled-up by the unqualified nominees.
- F. The decision of the Nomination Committee, once confirmed by the Board of Directors, shall be final and binding upon the shareholders and may no longer be raised during the stockholders' meeting.
- G. In case of failure of election for the independent director, the Chairman of the Meeting shall call a separate election during the same meeting to fill-up the vacancy.

The nominees for independent directors of the Company for the year 2016-2017 are Rafael Andrews Dominguez and Jose Araullo. They are nominated by Jose D. Leviste, III, a shareholder of the Company; and, to the Company's knowledge, there is no relationship between the nominees for independent directors and Mr. Leviste.

The members of the Incumbent Nomination Committee are as follows:

- |                      |   |          |
|----------------------|---|----------|
| 1. Christine P. Base | - | Chairman |
| 2. Romolo Nati       | - | Member   |
| 3. Jose Periquet     | - | Member   |

## DIRECTORS AND EXECUTIVE OFFICERS

None of the directors of the board declined re-election or resigned since the date of the last annual meeting.

The following are the business experiences and positions held by the Directors and Executive Officers for the past five (5) years:

### **Arch. Romolo Valentino Nati**

*Chairman of the Board of Directors, Chief Operating Officer*

48 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*

37 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*

47 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*

70 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 eBusiness Services, Inc. Concurrently, 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*

71 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*

45 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.

**(2) Independent Director**

Two (2) incumbent directors of the Company, namely Jose Periquet and Jose Araullo, are the Independent Directors for the year 2015-2016. They are not employees of the Company and do not have any relationship with the Company, which would interfere with the exercise of their independent judgment in carrying out the responsibilities of a director.

The following are nominated for election to the Board of Directors during this year's Annual Stockholders' Meeting:

- |                             |                      |
|-----------------------------|----------------------|
| 1. Jose D. Leviste, III     | Director             |
| 2. Romolo Nati              | Director             |
| 3. Christine P. Base        | Director             |
| 4. Shennan Sy               | Director             |
| 5. Rafael Andrews Dominguez | Independent Director |
| 6. Jose Araullo             | Independent Director |
| 7. Antonio Samson           | Director             |

The nominees for independent directors for this year's Annual Stockholders' meeting of the Company are Rafael Andrews Dominguez, and Jose Araullo. They were nominated by Jose D. Leviste, a shareholder of the Corporation and, to the Company's knowledge; there is no relationship between nominees for independent directors and Mr. Leviste.

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

### **(3) Key Officers**

The members of the management team, aside from those mentioned above, are as follows:

#### **Mr. Harold J. Dacumos**

*SVP for Banking and Business Operations Management*

62 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 Masters 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**

*VP for Finance and Administration*

49 years old, Filipino, is a Certified Public Accountant who is responsible for the overseer of Finance Department both in Head Office and in Primavera Sales Office. 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 graduated from the University of the East 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 an active member of Philippine Institute of Certified Public Accountants (PICPA)

### **(4) 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.

### **(5) 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 which are material to an evaluation of the ability and integrity of any director, any person nominated to become director, executive officer or control person of the Company:

1. Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer whether at the time of insolvency or within two (2) years prior to that time;
2. Any conviction by final judgment in a criminal proceeding, domestic or foreign, in any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. Any final and executory order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily, enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities, commodities or banking activities; and
4. Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

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

## (6) Significant Employees

No single person is expected to make a significant contribution to the business since the Company considers the collective efforts of all its employees as instrumental to its success.

## (7) Certain Relationships and Related Transactions

As of December 31, 2015, 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	Director/President	36.7%
Romolo Nati	Chairman/COO	33.18%

The Company, in the ordinary course of business, engage 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	-

	Net Sales		Advances to Related Parties		Key Management Compensation	
	2015	2014	2015	2014	2015	2014
Associate (CEC)	P34,768,467	P-	(P,6,860,931)	P339,779	P-	P-
Affiliate (PRCC)	-	-	27,239	51,821	-	-
Shareholders	-	-	(76,292,659)	(3,922,924)	-	-
Individuals						
Key Management Personnel	-	-	(P82,126,261)	-	5,628,910	5,640,000
Individuals						
	<b>P34,768,747</b>	<b>P-</b>	<b>(P3,531,324)</b>	<b>P5,628,910</b>	<b>P5,640,000</b>	

I. The Company sold condominium units to an associate during the year. Prices are based on usual price list.

II. Advances to related parties collected by the Company during the year were utilized the application of the IPO with the PSE. For the year ended December 31, 2015 and 2014, the Company provided advances to shareholders amounting to P12,170,715 and P4,840,454 and collected from shareholders P88,463,374 and P58,763,378, respectively.

III. Key management compensation consists of salaries and other short-term benefits. There are long-term compensation and post-employment and termination benefits of key management personnel.

## Item 6. Compensation of Directors and Executive Officers

For the calendar year ended 31 December 2014, and 2015 (actual) and 2016 (projected), the total salaries, allowances and bonuses paid to all other officers as a group are as follows:

### SUMMARY COMPENSATION TABLE

<b>Annual Compensation</b>				
<b>Name and Principal position</b>	<b>Year</b>	<b>Salary (PHP)</b>	<b>Bonus (PHP)</b>	<b>Others</b>
Romolo Nati Chief Executive Officer				
Jose D. Leviste III President				
Harold J. Dacumos SVP for Banking and Business Operations				
Mary Ann B. Lopez VP for Finance and Administration				
<b>CEO and President</b>	<b>2016*</b>	<b>9,757,743</b>		
	<b>2015</b>	<b>4,188,000</b>	<b>155,250</b>	
	<b>2014</b>	<b>4,188,000</b>	<b>349,000</b>	<b>1,260,000</b>
<b>SVP for Banking and Business Operations and VP for Finance and Administration</b>	<b>2016*</b>	<b>2,686,091</b>		
	<b>2015</b>	<b>1,730,571</b>	<b>146,529</b>	
	<b>2014</b>	<b>1,423,305</b>	<b>163,576</b>	

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.

## Item 7. Independent Public Accountants

BDO Alba Romeo & Co., CPAs was the Independent Public Accountant (External Auditor) for the year 2015. The reappointment of the said accounting firm as Independent Public Accountant for the incoming year will be submitted to the stockholders for their confirmation and approval. Duly authorized representatives of BDO Alba Romeo & Co., CPAs 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 Alba Romeo & Co., CPAs has been the Corporation's independent public accountant for only a year since year 2015, rotation is not necessary.

### (1) Name of the previous accountant or the handling partner in case of a firm;

The name of the previous accountant of the Company is Michael D. Roxas

### (2) Date of his resignation, dismissal or cessation from service;

November 1, 2015

**(3) Reason/s for the cessation of service**

Election as Managing Partner of the firm (please see paragraph below)

**(4) 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.

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.

The members of the Audit Committee are as follows:

- |                         |   |          |
|-------------------------|---|----------|
| 1. Jose Araullo         | - | Chairman |
| 2. Jose D. Leviste, III | - | Member   |
| 3. Shennan Sy           | - | Member   |

**(A) Changes in and Disagreements with Accountant 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.

**Item 8. Compensation Plans**

No action with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed for the year shall be discussed during the meeting.

**C. ISSUANCE AND EXCHANGE OF SECURITIES**

There are no matters or actions to be taken up in the meeting with respect to authorization or issuance securities.

**Item 10. Modification or Exchange of Securities**

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance of authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

**Item 11. Financial and Other Information**

The audited financial statements as of December 31, 2015, Interim Financial Statements, Management's Discussion and Analysis, and other data related to the Company's financial information are stated in the Management Report prepared.

**Item 12. 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 13. 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 14. Restatement of Accounts**

There is no record of restatement of any accounts.

**D. OTHER MATTERS**

**Item 15. Action with Respect to Reports**

(1) Approval of the Minutes of the 2015 Annual Stockholders' Meeting held on August 20, 2015 covering the following matters:

- (a) Approval of the Minutes of the Regular Meeting of the Stockholders held on June 26, 2014;
- (b) Management's Report;
- (c) Presentation and approval of the Financial Statements as of December 31, 2014;
- (d) Confirmation and Ratification of acts of the Board of Directors and Officers;
- (e) Election of the members of the Board of Directors;
- (f) Confirmation of Appointment of the external auditor;

(2) 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, opening and maintaining deposit accounts and/or trust accounts with various banking institutions; obtaining loans/credit accommodations and trust receipt agreements with various banks and approval of signing limits.

**Item 16. 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 17. Amendment of Charter, Bylaws or Other Documents**

The board of director approved the amendment of the by-laws for ratification of the shareholders. Said amendment pertains to the creation of the position Chief Executive Officer ("CEO") which shall be distinct from the President, and the CEO shall be responsible for the overall management and implementation of IDC's projects, including development, design, and product development.. Said amendment shall also have an effect in the powers of the President who shall be in charge with strategic decision-making, including acquisitions, agreements, and conceptualization of plans for expansion.

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The reason for the amendment is to exclude the day to day operations of the Company from the tasks of the President in order for the President to have a more general supervision and a more holistic view on the Company's operations.

**Item 18. Other Proposed Action**

If action is to be taken with respect to any matter not specifically referred to above, describe briefly the substance of each matter in substantially the same degree of detail as is required by Items 5 to 19, inclusive, above.

There are no other proposed actions to be taken up in the meeting.

**Item 19. 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 June 3, 2016 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 Secretary at least ten (10) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or their personal attendance at the meeting.

The Corporate Secretary or Assistant 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.

**UNDERTAKING TO PROVIDE WITHOUT CHARGE A COPY OF THE COMPANY' ANNUAL  
REPORT**

**A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A WILL BE  
PROVIDED WITHOUT CHARGE TO EACH PERSON UPON WRITTEN REQUEST OF  
ANY SUCH PERSON ADDRESSED TO:**

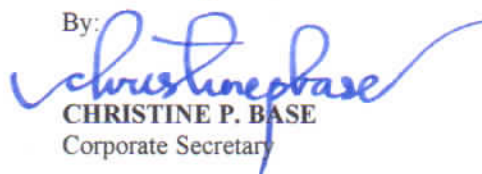
**THE OFFICE OF THE CORPORATE SECRETARY  
ITALPINAS DEVELOPMENT CORPORATION  
8<sup>th</sup> Floor, Chatham House,  
116 Valero cor. V.A. Rufino St., Makati City**

**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 June 1, 2016.

**ITALPINAS DEVELOPMENT CORPORATION**

By:

  
**CHRISTINE P. BASE**  
Corporate Secretary

## PART II. MANAGEMENT REPORT

### Item 1. Financial Statements

The Audited Financial Statements of the Company as of and for the year ended December 31, 2015 and Interim Financial Statements as of and for the month ended March 31, 2016 were been disclosed. Please refer to the SEC Form 17A and SEC Form 17Q respectively

### Item 2. Financial Statements with Management's Discussion and Analysis or Plan of Operation

#### 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***

##### *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 10<sup>th</sup> 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**

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.

*.38x 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