

COVER SHEET

C S 2 0 0 9 0 0 9 1 7

S.E.C. Registration Number

I T A L P I N A S D E V E L O P M E N T
C O R P O R A T I O N

(Company's Full Name)

U N I T 2 8 C , B P I P H I L A M L I F E B L D G .
6 8 1 1 A Y A L A A V E N U E , M A K A T I C I T Y

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

JOSE FIDEL R. ACUÑA
Contact Person

8443906
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

FORM TYPE

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

INDEX OF EXHIBITS

1. Letter from Issuer and Underwriter to SEC re contents of the Registration Statement
2. Prospectus
3. Certified True Copy of the Issuer-Underwriter Mandate Letter
4. Certificate of Filing of Enabling Resolution issued by Securities and Exchange Commission
5. Secretary's Certificate stating that the Corporation has all the required business permits and licenses and the same are valid and current
6. Letter that Independent Counsels who rendered Opinion for Legality and Tax Matter are not related to Issuer (including Subsidiaries), Underwriters, and their respective Legal Counsels
7. SEC 17-C report dated May 31, 2017 as to the stockholders' approval on the reclassification of 100,000,000 unissued common shares to preferred shares
8. Affidavit of Publication of filing Registration Statement dated July 1 and 2, 2019
9. Company legal counsel's certification on the on-going legal proceedings involving the registrants, its subsidiaries, affiliates and its properties including list of non-material cases (including legal proceedings likewise include cases filed against and by the issuer, subsidiaries and affiliates)
10. Certification re: For directors and officer of the company on the on-going legal proceedings
11. Curriculum vitae of key officers
12. Manual on Corporate Governance
13. Legal Opinion of Dionisio A. Tejero & Associates (external legal counsel of the Company) that all Permits and Licenses are valid and subsisting
14. Existing debt covenant as of June 30, 2019
15. Malayan Insurance Renewal (Policy No. E0010061) for PC Phase 1 until September 30, 2019
16. Summary of Material Contracts
 - a. DOAs for Primavera City Lots 6 and 7
 - b. CTS for Primavera City Lots 1-3
 - c. DOAs for Primavera City Lots 4-5
 - d. DOA for Miramonti Phase 1 Lot
 - e. MOA with right of first refusal for Miramonti Phase 2 Lot
 - f. Contract Agreement with DL Cervantes Construction Corporation
17. Board of Investments Certificate of Registration for Primavera Residences Condominium Tower A
18. Board of Investments Certificate of Registration for Primavera Residences Condominium Tower B
19. Board of Investments Certificate of Registration for Primavera City Phase 1 – Towers A and B
20. Bank details of Itaipinas Development Corporation
21. Notice of Approval from UCPB regarding the Company's P100M Loan Facility until May 31, 2020
22. Matrix of all TCTs and CCTs of the Corporation
23. Draft underwriting agreement
24. Draft receiving and paying agreement
25. Listing application with PSE
26. HLURB Certification of Registration and License to Sell for Primavera Residences Condominium Towers A & B and Primavera City Towers A & B

October 21, 2019

SECURITIES AND EXCHANGE COMMISSION

SEC Main Office, Secretariat Building

PICC Complex Roxas Boulevard

Metro Manila, Philippines

ATTENTION: **Director Vicente Graciano P. Felizmenio Jr.**
Markets & Securities Regulation Department

Gentlemen:

In relation to Italphinas Development Corporation's Registration Statement filed on October 21, 2019, the undersigned issuer and underwriter hereby acknowledge and confirm that we have read and are aware of the contents including all revisions incorporated in the Registration Statement in relation to the offer submitted to the Securities and Exchange Commission.


Thank you.

Very truly yours,

ITALPINAS DEVELOPMENT CORPORATION

Issuer

By:


ROMOLO V. NATI
Chairman and CEO

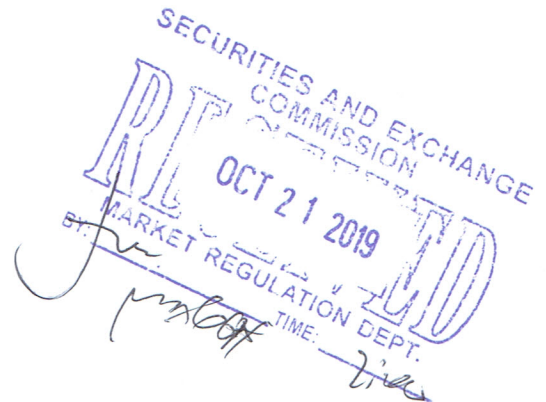
UNICAPITAL, INC.

Underwriter

By:


JAIME J. MARTIREZ
President


PAMELA LOUISE Q. VICTORIANO
First Vice President



SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS



ITALPINAS DEVELOPMENT CORPORATION

(A corporation duly organized under the laws of the Republic of the Philippines)

Follow On Offering of up to 33,333,334 Non-voting, Cumulative, Non-Participating, Redeemable, and Convertible Preferred Shares of Italtinas Development Corporation with a dividend rate of [●%] at an Offer Price of ₱15.00, and an Oversubscription Option of up to 10,000,000 Preferred Shares, to be listed and traded on the Small, Medium and Emerging (SME) Board of The Philippine Stock Exchange, Inc.

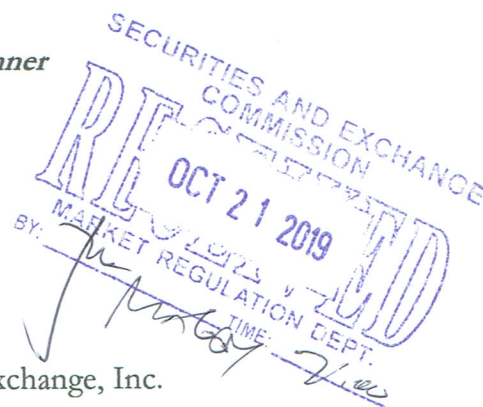
Issue Manager, Underwriter, and Bookrunner



UNICAPITAL, INC.

Selling Agents

The Trading Participants of the Philippine Stock Exchange, Inc.



This Prospectus is dated October [●], 2019

THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

ITALPINAS DEVELOPMENT CORPORATION

28C BPI Philamlife Building, 6811 Ayala Ave.
Makati City, 1226 Metro Manila
Telephone No. +632 893 0328
Fax No. +632 893 0337
Website: www.italpinas.com

This Prospectus relates to the Offer and sale of Thirty Three Million Three Hundred Thirty Three Thousand Three Hundred Thirty Four (33,333,334) redeemable convertible non-participating cumulative non-voting peso-denominated Preferred Shares (the "Firm Shares") with a par value of Fifty Centavos (₱0.50) per share of Italtinas Development Corporation ("IDC" or the "Company"), a corporation organized and existing under the laws of the Republic of the Philippines at an Offer price of Fifteen Philippine Pesos (₱15.00) per share with an Oversubscription Option of up to Ten Million (10,000,000) Preferred Shares (the "Oversubscription Option"), collectively, the "Offer Shares". The Offer includes Thirty Three Million Three Hundred Thirty Three Thousand Three Hundred Thirty Four (33,333,334) underlying Common Shares and an additional Ten Million (10,000,000) underlying Common Shares upon the exercise of the Oversubscription Option, which Common Shares shall be issued upon conversion of the Preferred Shares at a conversion price of Fifteen Philippine Pesos (₱15.00) per share, or a conversion ratio of one (1) common share for every one (1) preferred share. The Offer Shares shall be listed and traded under the stock symbol ("IDCP") on the Small, Medium and Emerging Board (the "SME Board") of The Philippine Stock Exchange, Inc. ("PSE") or the "Exchange") subject to the registration requirements of the Securities and Exchange Commission ("SEC").

Pursuant to its Articles of Incorporation as amended on February 28, 2018, the Company has an authorized capital stock of ₱377,993,600.00 divided into Six Hundred Fifty Five Million Nine Hundred Eighty Seven Thousand and Two Hundred (655,987,200) Common Shares with a par value of Fifty Centavos (₱ 0.50) per share and One Hundred Million (100,000,000) Preferred Shares with a par value of fifty centavos (₱0.50).

The holders of the Offer Shares do not have identical rights and privileges with holders of the issued and outstanding Common Shares. Prior to the Offer, the Company had a total of 321,618,800 issued and outstanding capital stock, consisting of 321,618,800 Common Shares which are all fully paid-up while its unissued or unsubscribed capital stock was 434,368,400, consisting of 334,368,400 Common Shares and 100,000,000 Preferred Shares. Upon completion of the Offer, the Company will have the following issued and outstanding shares: (i) 321,618,800 Common Shares; and (ii) up to 33,333,334 Preferred Shares without the Oversubscription Option and up to 43,333,334 with the Oversubscription Option. The total unissued or unsubscribed capital stock of the Company after the Offer will be 401,035,066 Common and Preferred Shares without the Oversubscription Option and 391,035,066 Common and Preferred Shares with the Oversubscription Option. The Offer Shares will represent approximately 9.4% of the total issued and outstanding capital stock of the Company after completion of the Offer without the Oversubscription Option, and approximately 11.9% with the Oversubscription Option.

All of the Common Shares of the Company which have been issued ("Common Shares") are unclassified and have identical rights and privileges. The Common Shares may be owned by any person or entity regardless of citizenship or nationality, subject to the nationality limits under Philippine law. The Philippine Constitution and related statutes set forth restrictions on foreign ownership for companies engaged in certain activities. The Company owns land hence Philippine laws limit foreign shareholdings in the Company to a maximum forty percent (40%) of its issued and outstanding capital stock. Any subsequent transfer of the Company's shares by Filipinos to non-Filipinos will also be subject to the limitation that any such transfers will not cause foreign shareholdings in the Company to exceed 40% of the Company's issued and outstanding capital stock. In the event that foreign ownership of the Company's issued and outstanding capital stock will exceed 40%, the Company has the right to reject a transfer request by persons to persons other than Philippine Nationals. See sections entitled "Terms and Conditions of the Offer", "Philippine Foreign Investment", and "Foreign Ownership and Exchange Controls" in this Prospectus.

The Offer Shares shall be offered at Fifteen Philippine Pesos ₱15.00 per share (the "Offer Price"). The determination of the Offer Price is further discussed in the section entitled "Determination of Offer Price" in this Prospectus and is based on a book-building process and discussions between the Company and the Underwriter.

The effect on the issued and outstanding shares of the Company upon full conversion of the Offer Shares to Common Shares will depend on multiple factors such as the conversion price and conversion date of the Offer Shares. For a more detailed discussion of the terms of the conversion of the Offer Shares to Common Shares, see section entitled "Terms and Conditions of the Offer" in this Prospectus.

Each holder of the Shares will be entitled to dividends as may be declared by the Company's Board of Directors. Declaration of stock dividends must be approved by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose. The Corporation Code has defined "outstanding capital stock" as the total shares of stock issued, whether paid in full or not, except treasury shares. Under the Corporation Code, the corporation may declare dividends out of its unrestricted retained earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. The Company can give no assurance that it will pay any dividends in the future. Please see a more detailed discussion of the Company's dividend policy under the section entitled "Dividends" in this Prospectus.

The Offer Shares are convertible to Common Shares of the Company at the option of the holder, beginning on the third anniversary but before the fifth anniversary from the listing date (the "Conversion Dates") at a conversion price of Fifteen Philippine Pesos (₱15.00) per share. The Company has the right but not the obligation to redeem the remaining outstanding Offer Shares which are not converted into Common Shares during the Conversion Dates (the "Redeemed Shares"), in whole or in part, five (5) years from the Issue Date, or on any Dividend Payment Date thereafter (the "Redemption Period") after giving not less than thirty (30) days written notice prior to the intended date of redemption, at a redemption price equal to the Offer Price of the Preferred Shares plus all dividends due them on the actual date of redemption as well as all accumulated dividends due and payable, or dividends in which the declaration and/or payment have been deferred, in respect of prior Dividend Periods (the "Redemption Price"). Such notice to redeem shall be deemed irrevocable upon issuance thereof. For a detailed discussion of the terms of the Offer Shares, see section entitled "Terms and Conditions of the Offer" in this Prospectus.

The total proceeds to be raised by the Company from the sale of the Firm Shares will be Philippine Pesos Five Hundred Million (₱500,000,010.00) without the Oversubscription Option, and Six Hundred Fifty Million (₱650,000,010.00) with the Oversubscription Option. The net proceeds from the Offer, determined by deducting from the gross proceeds the management fees, underwriting and selling fees, listing fees, taxes and other related fees and expenses, will be used by the Company for land banking acquisition, capital expenditures for new projects, and general working capital purposes. See section entitled "Use of Proceeds" in this Prospectus.

Unicapital, Inc., the Issue Manager, Underwriter, and Bookrunner will receive issue management, underwriting and selling fees from the Company equivalent to 3% of the gross proceeds from the sale of the Offer Shares. For a more detailed discussion on the fees to be received by the Issue Manager, Underwriter, and Bookrunner, see "Plan of Distribution" of this Prospectus.

Up to 6,666,700 Firm Shares or 20% of the total Offer are being offered and sold at the Offer Price of ₱15.00 to the 129 Trading Participants of The Philippine Stock Exchange, Inc. Unicapital, Inc. will distribute up to 26,666,634 Firm Shares or 80% of the total Offer to Qualified Institutional Buyers and the general public or directly to its clients. To ensure that the shares will be fully subscribed, Unicapital, Inc. (the "Underwriter") has committed to take up and distribute all unsubscribed Offer Shares on a firm basis. Any allocation of Offer Shares not taken up by the PSE Trading Participants, Qualified Institutional Buyers, and the general public shall be purchased by the Underwriter in exercise of its underwriting commitment. The commission to be received by the Underwriter is discussed in the section entitled "Plan of Distribution" in this Prospectus.

Unless otherwise stated, the information contained in this document relating to the Company and its operations has been supplied by the Company, which accepts full responsibility for the accuracy of the information and confirms that to the best of its knowledge and belief, there are no other material facts

the omission of which would make any statement in this document incorrect. Any subsequent transaction made shall not, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the date hereof.

Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus. Neither the delivery of this Prospectus nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company since such date.

The Company and the Underwriter has exercised the required due diligence in verifying that all material information in this Prospectus or offering memorandum, their amendments and supplements are true and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading.

No representation or warranty, express or implied, is made by the Underwriter as to the accuracy or completeness of the information herein and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Underwriter and that no responsibility or liability is accepted by the Underwriter as to the accuracy, adequacy, reasonableness or completeness of the information and materials contained herein (excluding any and all information pertaining to the Underwriter) or any other information provided by the Company in connection with the Offer Shares, their distribution or their future performance.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer Shares are prohibited. Prospective investors in the Offer Shares, by accepting delivery of this Prospectus, agree to the foregoing.

No dealer, salesman or other person has been authorized by the Company or the Underwriter to issue any advertisement or to give any information or make any representation in connection with the Offer other than those contained in this document, and if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorized by the Company or by the Underwriter.

Market data and certain industry information used throughout this Prospectus were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither the Company nor the Underwriter makes any representation as to the accuracy and completeness of such information.

This Prospectus includes forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting its business and operations. Words including, but not limited to "believes", "may", "will", "estimates", "continues", "anticipates", "intends", "plans", "foresees", "expects" and related or similar words are intended to identify forward-looking statements. In light of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances in this Prospectus may not occur. The Company's actual results could differ significantly from those anticipated in the Company's forward-looking statements.

This document does not constitute an offer or a solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. Each investor in the Offer Shares must comply with all applicable laws and regulations in force in the jurisdiction in which it purchases, offers or sells such securities and must obtain the necessary consent, approval or permission for the purchase, offer or sale of such securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchase, offer or sales. Foreign investors interested in subscribing to or purchasing the Offer Shares should apprise themselves as to the applicable legal requirements under the laws and regulations of the countries of their nationality, residence, or domicile, and as to any relevant tax or foreign exchange

control laws and regulations that may affect them. Prospective investors to the Offer Shares must conduct their own evaluation of the Company, and the terms and conditions of the Offer. Prior to making an investment decision, investors are advised to carefully consider the risks associated with an investment in the Offer Shares. See the section entitled "Risk Factors" in this Prospectus for a more detailed discussion on the risks associated with an investment in the Offer Shares.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

ITALPINAS DEVELOPMENT CORPORATION

By:

Jose D. Leviste III
President

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____, affiant exhibiting to me his PHL Passport No. EC1612331 issued on 11 July 2014 at DFA NCR South valid until [10 July 2019].

Name	Competent Evidence of Identity	Date of Issue	Issuing Agency
Jose D. Leviste III	[●]	[●]	[●]

NOTARY PUBLIC

Doc. No.: _____
Page No.: _____
Book No.: _____
Series of 2019.

Unless otherwise stated, all information contained in this Prospectus relating to the Company and its subsidiaries identified in the section entitled “the Company” and its operations have been supplied by the Company. To the best of its knowledge and belief, the Company (which has taken all reasonable care to ensure that such is the case) confirms that, as of the date of this Prospectus, the information contained in this Prospectus relating to the Company and its operations (and that of its subsidiaries) is true and that there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect and that the Company hereby accepts full responsibility for the accuracy of the information contained in this Prospectus with respect to the same. Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus. Neither the delivery of this Prospectus nor any sale of the Offer Shares offered hereby shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. The Company and the Issue Manager, Underwriter, and Bookrunner have conducted the due diligence required of them in ascertaining that all material representations contained in this Prospectus, its amendments and supplements contained in the aforementioned documents are true and correct, and that no material information was omitted, which was necessary in order to make the statements contained in the said documents not misleading.

No representation or warranty, express or implied, is made by the Company and the Issue Manager, Underwriter, and Bookrunner regarding the legality of an investment in the Offer Shares under any legal, investment or similar laws or regulations. The contents of this Prospectus are not investment, legal or tax advice. Prospective investors should consult their own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Offer Shares. In making any investment decision regarding the Offer Shares, prospective investors must rely on their own examination of the Company and the terms of the Offer, including the merits and risks involved. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer Shares is prohibited.

THE OFFER SHARES ARE BEING OFFERED ON THE BASIS OF THIS PROSPECTUS ONLY. ANY DECISION TO PURCHASE THE OFFER SHARES MUST BE BASED ONLY ON THE INFORMATION CONTAINED HEREIN.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company and the Issue Manager, Underwriter, and Bookrunner. This Prospectus does not constitute an offer to sell or the solicitation of an offer to purchase any securities other than the Offer Shares or an offer to sell or the solicitation of an offer to purchase such securities by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any sale of the Offer Shares offered hereby shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

The Company, on the basis of certain assumptions it made, calculated the operating information used throughout this Prospectus. As a result, this operating information might not be comparable to similar operating information reported by other companies.

Each investor to the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing.

CONVENTIONS WHICH APPLY TO THIS PROSPECTUS

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to the “Company” are to Itapinas Development Corporation, and where the context otherwise requires, all of its subsidiaries. All references to the “Group”, “they”, “them” and “their” are to the Company and its subsidiaries. All references to the “Philippines” are references to the Republic of the Philippines. All references to the “Government” or the “National Government” are to the national government of the Philippines. All references to the “BSP” are references to Bangko Sentral ng Pilipinas or the central bank of the Philippines. All references to “United States” or “US” are to the United States of America. All references to “Philippine peso,” “Pesos” and “P” are to the lawful currency of the Philippines. All references to “US dollars” and “US\$” are to the lawful currency of the United States. The Company publishes its consolidated financial statements in Pesos.

The items expressed in the Glossary of Terms may be defined otherwise by appropriate Government agencies or regulations from time to time, or by conventional or industry usage.

BASIS FOR CERTAIN MARKET DATA

Certain statistical information and forecasts in this Prospectus relating to the Philippines and other data used in this Prospectus were obtained or derived from internal surveys, market research, Governmental data, publicly available information and/or industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. This Prospectus also contains industry information which was prepared from available public sources to provide an overview of the Information Technology industry in which the Company's businesses operate. However, there is no assurance that such information is accurate or complete. Similarly, internal surveys, industry forecasts, market research, Governmental data, publicly available information and/or industry publications have not been independently verified by the Company and the Issue Manager, Underwriter, and Bookrunner and might not be accurate, complete, up-to-date, balanced or consistent with other information compiled within or outside the Philippines. Neither the Company nor the Issue Manager, Underwriter, and Bookrunner makes any representation as to the accuracy and completeness of such information.

PRESENTATION OF FINANCIAL INFORMATION

The Company's consolidated financial statements are reported in Philippine Peso and are prepared based on its accounting policies, which are in accordance with the Philippine Financial Reporting Standards ("PFRS") issued by the Financial Reporting Standard Council of the Philippines. PFRS includes statements named PFRS, Philippine Accounting Standards, and Philippines Interpretations from International Financial Reporting Interpretations Committee.

Figures in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same item of information may vary, and figures which are totals may not be an arithmetic aggregate of their components.

In this Prospectus, references to "2016" refer to the year ended December 31, 2016, references to "2017" refer to the period ended December 31, 2017 and references to "2018" refer to the year ended December 31, 2018.

The Company's fiscal year begins on January 1 and ends on December 31 of each year. BDO Roxas Cruz Tagle and Co. (formerly Alba Romeo & Co.), a member firm of BDO Global, the Company's independent auditor, has audited and rendered unqualified audit reports on the Company's audited consolidated financial statements as at December 31, 2018, 2017, and 2016, which are included in this Prospectus.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- the Company's ability to successfully implement its strategies;
- the Company's ability to anticipate and respond to market trends;
- the Company's ability to successfully manage its growth;
- the Company's ability to successfully increase its market share and maintain profitability;
- the Company's ability to maintain its contractual relationship with clients;
- the Company's ability to adapt and respond to rapid technological changes;
- any future political instability in the Philippines;
- the Company's ability to secure additional financing; and
- the changes in laws, rules and regulations, including tax laws and licensing requirements, in the Philippines and other jurisdictions where the Company operates.

Additional factors that could cause the Company's actual results, performance or achievements to differ materially from forward-looking statements include, but are not limited to, those disclosed under "Risk Factors" and elsewhere in this Prospectus. These forward-looking statements speak only as of the date of this Prospectus. The Company and the Issue Manager, Underwriter, and Bookrunner expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.

This Prospectus includes statements regarding the Company's expectations and projections for future operating performance and business prospects. The words "aim", "anticipate", "believe", "consider", "continue", "estimate", "expect", "going forward", "intend", "ought to", "plan", "potential", "predict", "project", "propose", "seek", "may", "might", "can", "could", "will", "would", "shall", "should", "is/are likely to", the negative form of these words and other similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus are forward-looking statements. Statements in this Prospectus as to the opinions, beliefs and intentions of the Company accurately reflect, in all material respects, the opinions, beliefs and intentions of its management as to such matters as of the date of this Prospectus, although the Company gives no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. This Prospectus discloses, under the section "Risk Factors" and elsewhere, important factors that could cause actual results to differ materially from the Company's expectations. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on behalf of the Company are expressly qualified in their entirety by the above cautionary statements.

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GLOSSARY OF TERMS

“ADB”	Asian Development Bank.
“ALI”	Ayala Land, Inc.
“Application”	The application to subscribe to the Offer Shares.
“BOI”	Board of Investments.
“BSP”	The Bangko Sentral ng Pilipinas or the central banking authority of the Republic of the Philippines.
“Banking Day”	A day on which banks and financial institutions are open for business in Metro Manila.
“Board of Directors” or “Board”	The Board of Directors of the Company.
“CDO”	Cagayan de Oro.
“Company”	Italpinas Development Corporation, incorporated in 26 January 2009 in the Philippines.
“Constellation” or “CEC”	Constellation Energy Corporation, a Philippine corporation engaged in the development of renewable energy generation projects.
“Constitution”	The Constitution of the Philippines.
“Corporation Code”	Batas Pambansa Blg. 68, otherwise known as the Corporation Code of the Philippines.
“CTI-PFAN”	Climate Technology Initiative Private Financing Advisory Network.
“CTS”	Contract to Sell.
“DAR”	Department of Agrarian Reform.
“DENR”	Department of Environment and Natural Resources.
“DOAS”	Deed of Absolute Sale
“ECO-LOGIC”	A trademark granted to the Company by the Intellectual Property Office to identify the Company's products and services. It represents the Company's use of cost-effective, innovative, performance-based technologies and methods in property development.
“Ecozones”	Special economic zones operated, administered, and managed by the Philippine Economic Zone Authority.
“EGF”	Environmental Guarantee Fund.
“EIS”	Environmental Impact Statement.
“EMB”	Environmental Management Bureau.

“EMF”	Environmental Monitoring Fund.
“ENCR”	Expanded National Capital Region.
“Escrow Agent”	BDO Unibank, Inc. – Trust and Investments Group
“FICCO”	First Community Cooperative
“Firm Shares”	Up to Thirty Three Million Three Hundred Thirty Three Thousand Three Hundred Thirty-Four (33,333,334) new Preferred Shares to be issued by the Company from its authorized and unissued capital stock at the Offer Price.
“FOO”	Follow on offering of up to Thirty-Three Million Three Hundred Thirty-Three Thousand Three Hundred Thirty-Four (33,333,334) Preferred Shares of Itapinas Development Corporation, with an Oversubscription Option of up to Ten Million (10,000,000) Preferred Shares (the “Oversubscription Option”) at the SME Board of the Philippine Stock Exchange.
“Government”	The government of the Republic of the Philippines.
“GSIS”	Government Service Insurance System.
“HDMF”	Home Development Mutual Fund.
“HLURB”	Housing and Land Use Regulatory Board.
“ICCP”	Investment and Capital Corporation of the Philippines.
“IDC”	Itapinas Development Corporation, incorporated in 26 January 2009 in the Philippines.
“IEE”	Initial Environmental Examination.
“IPP”	Investment Priorities Plan.
“Issue Manager and Underwriter”	Unicapital, Inc., a corporation organized and existing under Philippine law and duly licensed as an investment house by the SEC.
Johndorf	Johndorf Ventures Corporation
“KMS”	Kilometers.
“LGU”	Local Government Unit.
“Miramonti”	Miramonti Green Residences
“NHMFC”	National Home Mortgage Finance Corporation.
“NOLCO”	Net Operating Loss Carry Over.
“OCW”	Overseas Contractual Workers.

“Offer”	The offer for subscription to the Offer Shares, subject to the terms and conditions stated herein.
“Offer Period”	The period commencing at 9:00 a.m. on [December 2], 2019 and ending at 12:00 noon, Manila time, on [December 6], 2019 unless extended by agreement between the Company, the Issue Manager and Underwriter, and the Exchange.
“Offer Price”	The price of ₱15.00 per Offer Share.
“Offer Shares”	A total of Forty Three Million Three Hundred Thirty-Three Thousand Three Hundred Thirty-Four (43,333,334) primary Preferred Shares consisting of Firm Shares of Thirty Three Million Three Hundred Thirty Three Thousand Three Hundred Thirty-Four (33,333,334) primary Preferred Shares and an Oversubscription Option of up to Ten Million (10,000,000) Preferred Shares to be issued by the Company from its authorized and unissued capital stock at the Offer Price.
“Pag-IBIG”	Pag-IBIG Fund.
“Parametric Architecture”	Architectural design process characterized by use of algorithmic thinking to integrate different parameters to shape a physical form.
“Parametric Design”	In architecture, parametric design is a process based on algorithms which helps to clarify the relationship between design goals and design response. The Company employs parametric design to develop “high performing buildings” (performance based design). The Company believes that through the use of this design approach, it can reduce power and water consumption in its buildings and manage construction costs.
“Parametric Design Software”	A software modeling tool which uses parametric design to create efficient models and advanced product designs.
“Performance Based Design Strategy”	An approach to building design that leverages the power of software throughout the design process in order to express the architect’s vision for building performance with remarkable precision. Extensive data gathering is required as a starting point. This may include wind speed and direction, sun path, angle of solar rays, temperature, and other factors that are unique to the building’s environment and location. The architect then designs building features to optimize airflow, shading, disaster preparation, and other chosen objectives, using computer-based 3D modeling to generate the ideal specifications for such features and manifest the architect’s vision. The result of this melding of art and science is a 3-dimensional model for the building’s design that will perform optimally in the location’s specific conditions.
“PEZA”	Philippine Export Zone Authority.
“PODC”	Pueblo de Oro Development Corporation.
“PDTCC”	Philippine Depository & Trust Corporation (formerly, Philippine Central Depository, Inc.)

“Pesos” or “PHP”	Philippine Pesos.
“Philippines”	The Republic of the Philippines.
“PRCC”	Primavera Residences Condominium Corporation.
“Prospectus”	This document together with all its annexes and attachments.
“PSE” or “Exchange”	The Philippine Stock Exchange, Inc.
“PSE EDGE”	The PSE’s Electronic Disclosure Generation Technology
“Receiving Agent”	BDO Unibank, Inc. – Trust and Investments Group, a division of a duly licensed universal bank organized and existing under the laws of the Republic of the Philippines.
“REM”	Real Estate Mortgage.
“RFM”	RFM Science Park of the Philippines, Inc.
“SEAPA”	Southeast Asia Property Awards.
“SEC”	The Securities and Exchange Commission of the Philippines.
“SQM”	Square meters.
“SRC”	Securities Regulation Code.
“SSS”	Social Security System.
“Selling Agents”	Trading participants of the Philippine Stock Exchange.
“Shares”	The shares of the Company representing its authorized capital stock, or when the context requires, the Company’s subscribed and/or outstanding capital stock including the Offer Shares.
“Shareholders” or “Stockholders”	The holders of the Shares.
“SME Board”	The Small, Medium and Emerging Board of the PSE.
“Stock Transfer Agent” or “STA”	BDO Unibank, Inc. – Trust and Investments Group, a duly authorized stock and transfer agent organized and existing under the laws of the Republic of the Philippines.
“Trading Day”	A day when the PSE is open for business.
“TP”	Trading Participants of the Philippine Stock Exchange
“Treasury Shares”	Shares of stock which have been issued and fully paid for, but subsequently acquired by the Company by purchase, redemption, donation or through some other lawful means. These shares may again be disposed of for a reasonable price to be fixed by the board of directors.
“U.S. Dollar” or “USD”	United States Dollar.

INFORMATION RELATING TO THE COMMON AND PREFERRED SHARES

Authorized Capital Stock	₱377,993,600.00
Par Value of the Common and Preferred Shares	₱0.50
Common Shares outstanding before the Offer	321,618,800
Preferred Shares outstanding before the Offer	0
Firm Shares	33,333,334
Oversubscription Option	10,000,000
Common Shares outstanding after the Offer	321,618,800
Preferred Shares outstanding after the Offer (without the oversubscription option)	33,333,334
Preferred Shares outstanding after the Offer (including the oversubscription option)	43,333,334
Total Unissued Common and Preferred Shares after the Offer (without the oversubscription option)	401,035,066
Total Unissued Common and Preferred Shares after the Offer (including the oversubscription option)	391,035,066
Underlying Common Shares to the Preferred Shares (without the oversubscription option)	33,333,334
Underlying Common Shares to the Preferred Shares (including the oversubscription option)	43,333,334

SUMMARY

This summary highlights information contained elsewhere in this Prospectus. This summary is qualified in its entirety by more detailed information and financial statements, including notes thereto, appearing elsewhere in this Prospectus. For a discussion of certain matters that need to be considered in evaluating an investment in the Offer Shares, see the section entitled "Risk Factors" in this Prospectus. The readers are advised to read this entire Prospectus carefully, including the financial statements and related notes contained herein.

COMPANY OVERVIEW

Italpinas Development Corporation, established in 2009, was originally registered with the SEC 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 its knowledge in architectural design, market and demographic strategy, project development, and sales. It uses passive and active green design strategy in developing high performance real estate properties in up-and-coming cities in the Philippines with high growth potential. The Company makes use of cutting-edge market research, design and development strategies that start with a deep analysis of the target site's social, economic and environmental conditions.

The Company's debut project was Primavera Residences in Cagayan de Oro City. It is a twin-tower mixed-used development which was well received by the local market and among investors across the Philippines and overseas. Construction of the first tower, Tower A started in June 2010 and was completed in August 2012 while the second tower, Tower B was completed in 3Q 2015.

Primavera Residences has been awarded as the "Best Mixed-Use Development in the Philippines" by the International Property Awards, awarded in Kuala Lumpur in 2014 and was also Highly Commended in the "Best Condo Development" category at the Southeast Asia Property Awards held in Singapore in 2011. It was also awarded as a finalist among the "Most Promising Clean Energy Investment Opportunities" at the "Climate Technology Initiative Private Financing Advisory Network (CTI PFAN)" held in Manila in 2010.

The newest sustainable mixed-use condominium project by IDC is Primavera City, which is also located in Cagayan de Oro. At a competition held in Singapore on February 22, 2013, it was awarded as one of the top ten "Most Promising Clean Energy Investment Opportunities" 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). The project will be implemented in four phases. The first phase, Primavera City Phase 1 consisting of Towers A and B was launched on September 2017 and is expected to be completed by 1Q 2020. Phase 2 construction is slated to start by 1Q 2020 and expected to be completed in 4Q 2021. The remaining phases 3 and 4 is scheduled to be developed in years 2022 to 2024.

In addition, the Company has launched its third flagship project in July, 2018 – Miramonti Green Residences ("Miramonti") located in Sto. Tomas, Batangas, inside the Light Industry and Science Park III, I a highly productive zone. Miramonti is composed of two phases. Phase 1 commenced construction on December, 2018 and is expected to be completed by 4Q 2020. For Miramonti Phase 2, the company is in process of concluding the purchase of the lot which it has an agreement on the right of first refusal. The lot is approximately 5,347 square meters adjacent to the lot where Phase 1 is being developed.

The Company continually seeks to identify other potential sites for development and is presently in active discussion with other prospective targets. The areas of interests include Southern Luzon & Visayas, Cagayan de Oro, and Batangas wherein the company has plans to embark on horizontal housing development.

COMPETITIVE STRENGTHS

The Company's competitive strengths include the following:

- Future-Fluent Intuition in Choosing Locations

- Strong Culture of Research and Innovation
- Commitment to Sustainable Development
- Complementary Blend of Expertise

Please refer to the section entitled “Competitive Strengths” in this Prospectus for a more detailed discussion.

BUSINESS STRATEGY

The Company’s business strategies include the following:

- To Bring the Power of Creativity and Sustainable Architectural Design to the Market
- To Choose Locations in their Early Growth Phases and Ride New Property Booms Across the Philippines
- To Increase Leasable Floor Space in Order to Bring Steady Revenue to the Company

Please refer to the section entitled “Business Strategies” in this Prospectus for a more detailed discussion.

INVESTMENT CONSIDERATIONS AND RISK FACTORS

Before making an investment decision, investors should carefully consider the risks associated with an investment in the Company’s Common Shares. These risks include:

Risks Relating to the Company and its Business

- Market and Operational Risk;
- Significant competition in the real estate industry;
- Failure to meet customers’ expectations and standards;
- Ability to obtain financing for project development;
- Availability of land for use in the Company’s future projects;
- Risks on project cost and completion;
- Insufficient funding to finance project developments;
- Delay or failure to pay loan obligation(s);
- Risk relating to the collateralization of assets for loans obtained;
- Availability of financing to acquire new land at favorable terms and interest rates;
- Higher inflation and interest rates;
- Volatility of the Value of Philippine Peso against the US Dollar and other Currencies;
- Approval of permits and other regulatory licenses necessary for the business;
- No assurance of successful implementation of business plans and strategies;
- Risk associated with its in-house financing activities, including the risk of customer default;
- Substantial sale cancellation;
- Reputational risk of directors and officers of the company;
- Shortage in the supply of qualified and skilled technical personnel in the real estate industry;
- Information security risks;
- Inherent risks;
- Dependence on Key Personnel;
- Delay or failure to acquire equipment or furniture and fixtures;
- Titles over land owned by the Company may be contested by third parties;
- Domestic asset price bubble;
- Risk of Net Loss (Quarterly or Annually);
- Contracts with Suppliers and/or Customers;
- Refinancing risk;
- Risk on Train Law/Train Act;
- Occurrence of natural and other catastrophes;
- Exposure of the Company to foreign demand and such, the risks relating to foreign demand;

Risks Relating to the Philippines

- Risks of Economic Instability;
- Political or Social Instability in the Philippines;
- Introduction of new laws & regulations and Changes to existing laws & regulations;
- Acts of Terrorism;
- Territorial Disputes with China and a Number of Southeast Asian countries;
- Corporate governance and disclosure standards in the Philippines;
- Natural calamities could adversely affect the business of the Company;
- Sovereign Credit Ratings of the Philippines; and
- Additional Taxes.

Risks Relating to the Company's Offer Shares

- Listing of Offer Shares on the PSE;
- Trading and Liquidity;
- Market Volatility;
- Effect of Future Sales of Shares in the Public Market;
- Future changes in foreign currency exchange rates;
- Dividend Declarations and Pay out;
- Insufficient distribution upon liquidation; and
- Foreign Ownership Limitations

Please refer to the section entitled "Risk Factors" in this Prospectus for a more detailed discussion.

CORPORATE INFORMATION

The Company maintains the following offices:

Address	Telephone Number	Fax Number
Principal Place of Business		
Unit 28C, BPI Philamlife Building	(02) 893 0328	(02) 893 0337
6811 Ayala Ave, Makati	(02) 893 0330	
1226 Metro Manila, Philippines		
Primavera Sales Office	(088) 880 5001	
2F Primavera Residences Condominium, Upper Carmen, Cagayan de Oro City	(088) 880 5002	
Miramonti Sales Office		
No. 1 Millenium Drive, RFM Science Park, LISP III Bgy. San Rafael, Sto. Tomas, Batangas		

Information on the Company may be obtained at www.italpinas.com. The information on the Company's website is not intended to be incorporated by reference into, and does not constitute part of the Prospectus.

For investor relations matters, investors may contact Mr. Harold J. Dacumos, the Company's Investor Relations Head, at telephone number (02) 893 0328 or through email at investors@italpinas.com.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary of financial information of the Company and should be read in conjunction with the auditors' reports, the Company's financial statements including the notes thereto included elsewhere in this Prospectus, and the section entitled "Management's Discussion and Analysis". The selected financial information set forth in the following table has been derived from the Company's financial statements for the fiscal years ended December 31, 2016, 2017, 2018, including the related notes, as examined and audited by BDO Roxas Cruz Tagle and Co. (formerly Alba Romeo & Co.) in accordance with Philippine Financial Reporting Standards ("PFRS"). All these information should be read in conjunction with the financial statements and notes thereto contained in this Registration Statement.

The summary of financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

FINANCIAL RESULTS

STATEMENT OF FINANCIAL POSITION

<i>In PhP Mns</i>	As of 30 June <i>(Unaudited)</i>	
	2018	2019
ASSETS		
Current assets		
Cash on hand and in banks	34.08	18.43
Contract asset	-	706.25
Trade and other receivables	277.79	109.06
Real estate for sale	-	157.55
Input VAT	58.97	70.73
Advances to related parties	24.43	47.68
Prepayments and other current assets	4.95	25.05
Total current assets	400.22	1,134.75
Noncurrent assets		
Trade receivables, net of current portion	396.04	-
Land for future development	14.40	-
Property and equipment	6.33	6.86
Property development cost	99.09	-
Investment properties	111.99	129.07
Deferred tax assets	22.26	17.69
Investment in associate	7.00	13.47
Other noncurrent assets	4.90	6.80
Total noncurrent assets	662.01	173.88
Total assets	1,062.23	1,308.62

LIABILITIES AND EQUITY

Liabilities

Current liabilities

Trade and other payables	194.68	188.56
Contract liabilities	-	-
Reserves for property development	37.17	-
Deferred income on real estate sales	76.74	-
Borrowings, current portion	66.87	86.90
Advances from associate	-	21.90

Income tax payable	-	-
Total current liabilities	375.46	297.35
Noncurrent liabilities		
Borrowings, net of current portion	231.57	374.46
Deferred tax liability	26.65	86.90
Total noncurrent liabilities	258.22	461.35
Total liabilities	633.68	758.70
Equity		
Capital Stock	160.81	160.81
Additional paid-in capital	157.13	157.13
Stock dividend distributable		
Retained earnings	110.61	231.98
Total equity	428.55	549.92
Total liabilities and equity	1,062.23	1,308.62

<i>In PhP Mns</i>	For the years ended 31 December		
	2016	2017	2018
ASSETS			
Current assets			
Cash on hand and in banks	18.09	36.73	13.51
Contract asset	-	-	638.14
Trade and other receivables	160.76	445.11	114.34
Real estate for sale	37.14	150.27	178.22
Property development costs	86.39	-	-
Input VAT	43.80	52.15	67.83
Advances to related parties	30.23	32.48	50.20
Prepayments and other current assets	-	7.93	16.45
Total current assets	376.42	724.66	1,078.69
Noncurrent assets			
Trade receivables, net of current portion	384.16	-	-
Land for future development	14.40	-	-
Property and equipment	9.10	5.85	7.30
Investment properties	-	118.84	129.07
Deferred tax assets	5.07	22.26	17.69
Investment in associate	-	7.00	13.47
Other noncurrent assets	0.34	0.52	4.30
Total noncurrent assets	413.06	154.46	171.83
Total assets	789.48	879.13	1,250.51

LIABILITIES AND EQUITY

Liabilities

Current liabilities

Trade and other payables	183.87	202.40	207.62
Reserves for property development	60.50	-	-
Contract liabilities	-	-	14.98
Deferred income on real estate	87.21	-	-
Borrowings, current portion	64.84	65.00	67.19
Advances from associate	0.77	0.77	21.90

Income tax payable	1.89	-	-
Total current liabilities	399.07	268.17	311.69
Noncurrent liabilities			
Borrowings, net of current portion	45.42	179.41	326.48
Deferred tax liability	-	26.65	86.90
Total noncurrent liabilities	45.42	206.06	413.37
Total liabilities	444.49	474.24	725.06
Equity			
Capital Stock	110.81	110.81	160.81
Additional paid-in capital	157.13	157.13	157.13
Stock dividend distributable	-	50.00	-
Retained earnings	77.05	86.95	207.51
Total equity	344.99	404.89	525.45
Total liabilities and equity	789.48	879.13	1,250.51

STATEMENT OF COMPREHENSIVE INCOME

<i>In PhP Mns</i>	For the six-month period ended 30 June <i>(Unaudited)</i>	
	2018	2019
Net sales	162.01	204.80
Cost of sales	(76.31)	(94.38)
Gross profit	85.70	110.42
General and administrative expenses	(58.06)	(70.15)
Gross profit from operations	27.63	40.27
Other operating income (expense), net	2.72	5.32
Impairment loss	-	-
Share in net income from investment in an associate	-	-
Finance Income	0.51	0.34
Finance cost	(5.12)	(18.60)
Net income before tax	25.75	27.33
Income tax	(2.09)	(2.85)
Net income for the year	23.66	24.47
Other comprehensive income	-	-
Total comprehensive income for the year	23.66	24.47

<i>In PhP Mns</i>	For the year ended 31 December		
	2016	2017	2018
Net sales	208.20	189.69	368.52
Cost of sales	(86.93)	(75.79)	(124.47)
Gross profit	121.27	113.91	244.05
General and administrative expenses	(74.70)	(77.81)	(90.30)
Other operating income (expense), net	(7.94)	85.13	50.95
Impairment loss	-	(48.49)	(5.70)
Share in net income from investment in an associate	-	7.00	6.47
Finance Income	1.76	1.28	1.13
Finance cost	(9.38)	(11.46)	(19.94)

Net income before tax	31.00	69.55	186.65
Income tax	1.00	(9.65)	(66.08)
Net income for the year	32.00	59.90	120.56
Other comprehensive income	-	-	-
Total comprehensive income for the year	32.00	59.90	120.56

STATEMENT OF CASH FLOW

<i>In PhP Mns</i>	For the six-month period ended 30 June <i>(Unaudited)</i>	
	2018	2019
Cash flows from operating activities		
Profit before tax	23.66	27.41
Adjustments for:		
Depreciation and amortization	1.73	1.31
Impairment loss	-	-
Gain on change in fair value of investment property	-	-
Loss on sale	-	-
Income from investment in an associate	-	-
Finance income	(0.51)	(0.34)
Finance costs	5.12	18.60
Operating income before working capital changes	29.99	48.21
Decrease (increase) in:		
Contract asset	-	(71.75)
Trade and other receivables	(101.18)	8.93
Real estate for sale	24.25	20.66
Input VAT	(6.82)	(2.91)
Prepayment and other current assets	2.98	(1.64)
Other noncurrent assets	(4.38)	(2.65)
Increase (decrease) in:		
Contract liability	-	(14.98)
Trade and other payables	(3.11)	(14.85)
Cash used for operations	(58.28)	(30.98)
Finance income received	0.51	0.34
Income taxes paid	-	-
Net cash used in operating activities	(57.77)	(30.64)
Cash flow from Investing activities		
Acquisition of property and equipment	(0.48)	(0.87)
Net cash used in investing activities	(0.48)	(0.87)
Cash flow from financing activities		
Proceeds from borrowings	86.82	83.00
Repayments of borrowings	(34.15)	(30.49)
Finance costs paid	(5.12)	(18.60)
Payment of initial public offering fees	-	-
Advances to and from related parties	8.05	2.52
Net cash provided by (used in) financing activities	55.61	36.43
Net increase (decrease) in cash	(2.65)	4.92
Cash, Beginning	36.73	13.51
Cash, Ending	34.08	18.43

<i>In PhP Mns</i>	For the years ended 31 December		
	2016	2017	2018
Cash flows from operating activities			
Profit before tax	31.00	69.55	186.65
Adjustments for:			
Depreciation and amortization	3.03	3.48	3.70
Impairment loss	-	48.49	5.70
Gain on change in fair value of investment property	-	(81.84)	(33.17)
Loss on sale	-	-	1.01
Income from investment in an associate	-	(7.00)	(6.47)
Finance income	(1.76)	(1.28)	(1.13)
Finance costs	9.38	11.46	19.94
Operating income before working capital changes	41.66	42.87	176.24
Decrease (increase) in:			
Trade and other receivables	(159.82)	(96.38)	(291.13)
Real estate for sale	(40.70)	(49.35)	(27.94)
Input VAT	(6.24)	(8.34)	(15.68)
Prepayment and other current assets	(1.05)	(6.04)	(8.53)
Other noncurrent assets	(0.08)	(0.18)	(3.78)
Increase (decrease) in:			
Trade and other payables	87.39	18.53	20.20
Cash used for operations	(78.83)	(98.90)	(150.62)
Finance income received	1.76	1.28	1.13
Income taxes paid	(4.05)	(3.96)	(1.27)
Net cash used in operating activities	(79.05)	(101.58)	(150.77)
Cash flow from Investing activities			
Acquisition of property and equipment	(3.92)	(0.23)	(5.16)
Net cash used in investing activities	(3.92)	(0.23)	(5.16)
Cash flow from financing activities			
Proceeds from borrowings	15.5	212.00	254.22
Repayments of borrowings	(65.09)	(77.84)	(104.97)
Finance costs paid	(9.38)	(11.46)	(19.94)
Payment of initial public offering fees	(5.27)	-	-
Advances to and from related parties	9.38	(2.25)	3.40
Net cash provided by (used in) financing activities	(54.86)	120.45	132.71
Net increase (decrease) in cash	(137.84)	18.64	(23.22)
Cash, Beginning	155.93	18.09	36.73
Cash, Ending	18.09	36.73	13.51

KEY PERFORMANCE INDICATORS

The below key performance indicators are identified based on the nature of the company's operations.

	For the six-month period ended 30 June	
	<i>(Unaudited)</i>	
	2018	2019
Current Ratio (x) ¹	1.07	3.82
Solvency Ratio ²	1.68	1.72
Debt-to-Equity Ratio (x) ³	1.49	1.38
Gross Margin (%) ⁴	0.53	0.54

Return on Equity (%) ⁵	0.06	0.04
Net Margin (%) ⁶	0.15	0.12

	For the years ended December 31		
	2016	2017	2018
Current Ratio (x) ¹	0.94	2.70	3.46
Solvency Ratio ²	1.78	1.85	1.72
Debt-to-Equity Ratio (x) ³	1.29	1.17	1.38
Gross Margin (%) ⁴	0.58	0.60	0.66
Return on Equity (%) ⁵	0.09	0.15	0.23
Net Margin (%) ⁶	0.15	0.32	0.33

Notes:

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

² Solvency Ratio is derived through dividing total assets 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.

TERMS AND CONDITIONS OF THE OFFER

The following does not purport to be a complete listing of all the rights, obligations and privileges attaching to or arising from the Offer Shares. Some rights, obligations or privileges may be further limited or restricted by other documents and subject to resolution of the Board. Prospective shareholders are enjoined to perform their own independent investigation and analysis of the Company and the Offer Shares. Each prospective shareholder must rely on its own appraisal of the Company and the Offer Shares and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Offer Shares and must not rely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective shareholder's independent evaluation and analysis.

ITALPINAS DEVELOPMENT CORPORATION PREFERRED SHARES

The Company	: Italtinas Development Corporation ("IDC", or the "Company")
The Offer	: Redeemable convertible non-participating cumulative non-voting peso-denominated Preferred Shares (the "Preferred Shares")
Offer Size	: Primary offer of up to ₱500,000,010.00 consisting of up to 33,333,334 Preferred Shares (the "Firm Shares") with an Oversubscription Option of up to ₱150,000,000.00 consisting of up to 10,000,000 additional Preferred Shares (the "Oversubscription Option", and the Preferred Shares pertaining to such option, the "Oversubscription Option Shares") for an aggregate issue size of up to ₱650,000,010.00 (the "Offer") [the Firm Shares and the Oversubscription Option Shares shall be collectively referred to as the "Offer Shares"]
Oversubscription Option	: In the event of an oversubscription, the Issue Manager, Underwriters and Bookrunner, in consultation with the Issuer, reserve the right, but do not have the obligation, to increase the Offer Size by up to 10,000,000 Preferred Shares, subject to the registration requirements of the SEC.
Use of Proceeds	: The Company intends to use the net proceeds from Offer to fund its land banking acquisition strategy, capital expenditures for new projects, and general working capital requirements.
Par Value	: ₱0.50
Distribution	: Each of the 129 PSE Trading Participants shall initially be allocated 6,656,400 Firm Shares, or approximately 20% of the Offer to be sold at the Offer Price of ₱15.00. The remaining 26,666,634 Firm Shares or 80% of the total Offer shall be distributed by the Issue Manager, Underwriter, and Bookrunner to Qualified Institutional Buyers and to the general public. Firm Shares not taken up by the PSE Trading Participants, qualified institutional buyers and the general public shall be purchased by the Issue Manager, Underwriter, and Bookrunner under a firm commitment pursuant to an Underwriting Agreement.
Non-Voting Offer Shares	: The Offer Shares are non-voting, except in cases wherein the holders of non-voting shares are, under Section 6 of the Revised Corporation Code of the Philippines, nevertheless entitled to vote, on the following matters: <ol style="list-style-type: none"> 1. Amendment of the articles of incorporation; 2. Adoption and amendment of by-laws; 3. Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the corporate property; 4. Incurring, creating, or increasing bonded indebtedness;

5. Increase or decrease of capital stock;
6. Merger or consolidation of the corporation with another corporation or other corporations;
7. Investment of corporate funds in another corporation or business in accordance with the Revised Corporation Code of the Philippines; and

Dissolution of the corporation.

Dividend Rate and Dividend Payment Date : As and if dividends are declared by the Board of Directors on the Offer Shares, the dividends shall be payable semi-annually to each holder of the Offer Shares at the fixed rate of [●]% per annum, calculated in respect of each Offer Share.

The final dividend rate for the Offer Shares was determined through a book building process. The range at which the Company and the Underwriter accepted tenders in respect of the Offer Shares was within the sum of (i) the simple average of five (5)-year PHP BVAL benchmark rates for three (3) consecutive business days ending on (and including) the Dividend Rate Setting Date plus (ii) a spread of one hundred seventy-five (175) to two hundred seventy five (275) basis points. If the five (5) year PHP BVAL benchmark rate is not available or cannot be determined, any such successor rate that is generally accepted by the market or a self-regulatory organization as shown on the PDEX (or such successor page) of Bloomberg (or such successor electronic service provider) will be used.

Cash dividends on the Offer Shares will be payable once every Dividend Period on such date set by the Board of Directors at the time of declaration of such dividends in accordance with the terms and conditions of the Offer Shares, which date shall be any day within the period commencing on (and including) the last day of a Dividend Period and fifteen (15) calendar days from the end of the relevant Dividend Period (each a "Dividend Payment Date").

A "Dividend Period" shall be the period commencing on the Issue Date and having a duration of six (6) months, and thereafter, each of the successive periods of six (6) months commencing on the last day of the immediately preceding Dividend Period up to but excluding the first day of the immediately succeeding Dividend Period; provided that, the first Dividend Period of the Offer Shares shall be the period commencing on the Issue Date and ending on the last day of the then current dividend period for the Offer Shares. If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment as to the amounts of dividends to be paid.

The dividends on the Preferred Shares will be calculated on a 30/360-day basis.

If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment as to the amount of dividends to be paid.

Dividends on the Offer Shares will be cumulative. If for any reason the Board of Directors of the Company does not declare dividends on the Offer Shares for a dividend period, the Company will not pay dividends on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Offer Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Offer Shares prior to such Dividend Period. The holders of the Offer

Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Offer Shares.

**Optional
Redemption
Option**

: As and if approved by the Board of Directors of the Company and subject to the requirements of applicable laws and regulations, and the Company's financial covenants, the Company has the sole option, but not the obligation to redeem, in whole but not in part, the outstanding Preferred Shares, having given to the Stock Transfer Agent ("STA"), the SEC and the PSE not less than thirty (30) days' written notice prior to the intended date of redemption, on:

- a. the Initial Optional Redemption Date; or
- b. any Dividend Payment Date after the Initial Optional Redemption Date

(each, an "Optional Redemption Date")

at a redemption price equal to the Offer Price of the Offer Shares, plus any accrued and unpaid cash dividends due them as well as all Arrears of Dividends outstanding, after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (the "Redemption Price"). The Redemption Price shall be paid to holders of the Offer Shares as of the relevant record date set by the Company for such redemption.

The Company may, at its sole option, subject to the requirements of applicable laws and regulations and the Company's financial covenants, also redeem all but not part of the Offer Shares at any time if an Accounting Event or a Tax Event has occurred, having given not less than thirty (30) days' written notice to the Stock Transfer Agent, the PSE and the SEC prior to the intended date of redemption. The redemption due to an Accounting Event or a Tax Event shall be made by the Company at the Redemption Price, which shall be paid on the date of redemption set out in the notice.

**Conversion
Option**

: The Holders of the Preferred Shares may convert, in whole and in part, their outstanding Preferred Shares into the Company's Common Shares at a price of ₱15.00 per share or a conversion ratio of 1:1. The Holder may exercise this option at any time during the First Dividend Period of each year commencing on the third (3rd) anniversary from the issue date but before the fifth (5th) anniversary ("Conversion Period").

Only the registered Holder of the Preferred Shares can exercise the option to convert. Holders who exercised their option to convert shall remain the registered and legal owners of the Preferred Shares until the registered Common Shares which shall be listed on the PSE, are issued by the Company. The conversion will only be completed after the issuance by the Company of registered Common Shares which shall be listed on the PSE, and upon such completion, the Holder will cease to enjoy the benefits attached to the Preferred Shares previously owned, including the right to dividends as provided herein.

In the event that the Conversion Option is partly exercised or not exercised at all during the Conversion Period, the underlying Common Shares to the Preferred Shares which will not be subject to conversion will remain unissued.

**Convertibility
Mechanics**

: To exercise the convertibility feature attaching to any Preferred Share, the registered Holder thereof must duly complete, execute, and deposit at his own expense from 9:00 a.m. to 3:00 p.m. at least 10 Trading Days prior to Dividend Payment Date of the relevant Conversion Period at the specified office of the Stock Transfer Agent a notice of exchange (a "Conversion

Notice”) in the form (for the time being current) obtainable from the specified office of the Stock Transfer Agent, together with (a) the relevant stock certificate, if the Holder had requested for and been issued a stock certificate and (b) any other documents as may be required under the laws of the Philippines and regulations of the PSE.

A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Company consents in writing to such withdrawal.

The Stock Transfer Agent may reject an incomplete or incorrect Conversion Notice or any Conversion Notice that is not accompanied by any relevant Certificates in respect thereof.

A Holder delivering a stock certificate in respect of a Preferred Share for conversion must pay all taxes, if any, and other expenses arising on conversion of the Preferred Shares (including all charges of the Stock Transfer Agent). The Common Shares delivered upon exchange of the Preferred Shares will be fully paid and when listed will in all respects rank *pari passu* with the Common Shares outstanding.

The holders of the preferred shares who will exercise the convertibility option are not required to pay PhP15.00 per share, except for any applicable taxes and expenses arising from the conversion.

- Step-Up Rate** : In the event that the Conversion Option is partly exercised or not exercised at all by the Holders of the Preferred Shares during the Conversion Period and unless the Preferred Shares are redeemed by the Company on the fifth (5th) anniversary of the Issue Date (the “Initial Optional Redemption Date”), the Dividend Rate on the Preferred Shares shall be adjusted thereafter to the higher of:
- a. Original Dividend Rate, or
 - b. the sum of:
 - i. The simple average of the ten (10)-year PHP BVAL for three (3) consecutive business days ending on (and including) the fifth (5th) anniversary as shown on the PDEX page (or such successor page) or Bloomberg (or such successor electronic service provider, provided that there are done transactions for such PHP BVAL on at least two (2) of the three (3) days above, and
 - ii. the Original Spread plus [three hundred (300) basis points
- (this item b, the “Step Up Rate”)

For the avoidance of doubt, if the Original Dividend Rate is higher than the Step-Up Rate, there shall be no adjustment on the Dividend Rate, and the Original Dividend Rate shall continue to be the Dividend Rate.

- Dilutive Issuance** : If the Company issues any additional Common Shares without any additional equity infusion (the “Dilutive Issuance”), such as stock dividends and stock splits, at any time until the end of the Conversion Period, the Conversion Ratio shall be adjusted so that the percentage ownership of the holders of the Preferred Shares after the Dilutive Issuance shall be set equal to the percentage ownership that such holders would have had if such Dilutive Issuance had not occurred.

The number of Common Shares shall be rounded down to eliminate any resulting fractional shares, if any. For avoidance of doubt, the Common Shares issued pursuant to any employee stock option plan, and any follow-on offerings of Common Shares or Preferred Shares shall not be considered a Dilutive Issuance.

- Accounting Event** : An accounting event ("Accounting Event") shall occur if an opinion of a recognized accountancy Firm authorized to perform auditing services in the Republic of the Philippines has been delivered to the Company stating that the Offer Shares may no longer be recorded as equity in the audited [consolidated] financial statements of the Company prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Company for the preparation of its audited [consolidated] financial statements for the relevant financial year and such event cannot be avoided by the Company even by taking reasonable measures available to it.
- Tax Event** : A tax event ("Tax Event") shall occur if payments on the Offer Shares become subject to additional or higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided even by taking reasonable measures available to the Company.
- Tax** : All payments in respect of the Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines, including, but not limited to, stamp, issue, registration, documentary, value-added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Company will pay additional amounts so that holders of the Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable. Provided, however, that the Company shall not be liable for, and the foregoing payment undertaking of the Company shall not apply to:
- (a) the final withholding tax applicable on dividends earned on the Preferred Shares as prescribed under the National Internal Revenue Code of 1997, as amended;
 - (b) as applicable, any income tax (whether or not subject to withholding), percentage tax, stock transaction tax and documentary stamp tax on the redemption of the Preferred Shares or on the liquidating distributions as may be received by a holder of Preferred Shares,
 - (c) any expanded value-added tax which may be payable by any holder of the Preferred Shares on any amount to be received from the Company under the terms and conditions of the Preferred Shares;
 - (d) any withholding tax on any amount payable to any holder of Preferred Shares or any entity which is a non-resident foreign corporation; and
 - (e) any applicable taxes on any subsequent sale or transfer of the Preferred Shares by any holder of the Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).
- All sums payable by the Company to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present sufficient proof of such tax-exempt status from the tax authorities. Documentary stamp tax for the primary issue of the Preferred Shares and the documentation, if any, shall be for the account of the Company.
- No Sinking Fund** : There is no mandatory redemption of the Offer Shares. Therefore, the Company has not established, and currently has no plans to establish a sinking fund for the redemption of the Offer Shares.

No Voting Rights	: Holders of the Offer Shares shall not be entitled to vote at the Company's stockholders' meetings, except as otherwise provided by law.
Non-Participating	: Holders of the Offer Shares shall not be entitled to participate in any other or future dividends beyond the dividends specifically payable on the Offer Shares.
No Pre-emptive Rights	: Holders of the Offers Shares shall have no pre-emptive rights to subscribe to any shares (including, without limitation, treasury shares) that will be issued or sold by the Company.
Liquidation Rights	: In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of the Company, the holders of the Offers Shares shall enjoy preference in the payment, in full or, if the remaining assets of the Company are insufficient, on a pro-rata basis as among all holders of outstanding Preferred Shares, of the issue price of their shares plus any previously declared and unpaid dividends, before any asset of the Company is paid or distributed to the holders of the Common Shares and other securities junior to the Offer Shares.
Selling and Transfer Restrictions	: Initial placement and subsequent transfers of interests in the Offer Shares shall be subject to the normal selling restrictions for listed securities as may prevail in the Philippines from time to time.
Registration and Listing	: The Offer Shares are currently not listed in the PSE. An application for listing of the Offer Shares has been applied for with the PSE subject to compliance with SEC regulations and PSE Listing Rules (subject to SEC and PSE approval). Upon listing the Preferred Shares shall be traded under the symbol "IDCP". The Common Shares resulting from the conversion of the Preferred Shares shall be applied for listing on the PSE and traded under the symbol "IDC" subject to compliance with the SEC regulations and PSE listing rules.
Governing Law	: The Offer Shares will be issued pursuant to the laws of the Republic of the Philippines
Minimum Subscription to the Preferred Shares	: Each application shall be for a minimum of [3,400] Preferred Shares and thereafter, in multiples of [100] Offer Shares. No application for multiples of any other numbers of Offer Shares will be considered.
Eligible Investor	: The Offer Shares may be subscribed to or held by any person of legal age or duly organized and existing corporations, partnerships or other judicial entities regardless of nationality, subject to the Company's right, by itself or through the Underwriter, to reject an application or to reduce the number of Offer Shares applied for subscription or purchase if the same will cause the Company to be in breach of the Philippine capital ownership requirement under relevant Philippine laws. See below "Foreign Ownership Restriction".
Foreign Ownership Restriction	: The Offer Shares may be subscribed to or held by any person of legal age duly organized and existing corporations, partnerships or other juridical entities regardless of nationality, subject to the restrictions by law. Aggregate foreign ownership in the Company cannot exceed the maximum of 40% of the issued and outstanding capital stock. An individual non-Filipino individual and non-bank entity can only acquire up to 40% of the issued outstanding capital stock of the company. Accordingly, the Company cannot allow the issuance of shares or record the transfer of

shares to persons other than Philippine Nationals if such issuance or transfers shall exceed the above-mentioned foreign ownership limits.

Procedure for Application

: Application forms to subscribe for Offer Shares in the Offer may be obtained from the Selling Agents or the Underwriter. These Application forms can also be downloaded from the Company's corporate website.

All applications shall be evidenced by the application to purchase form, accompanied by (i) two (2) completed signature cards which, for corporate and institutional Applicants, should be authenticated by the corporate secretary, and the corresponding payment for the Offer Shares covered by the Application and (ii) all other required documents. The duly executed Application form and required documents should be submitted during the Offer Period to the same office where it was obtained.

If the Applicant is a corporation, partnership or trust account, the Application must be accompanied by the following documents:

1. A certified true copy of the Applicant's latest articles of incorporation and by-laws and other constitutive documents (each as amended to date) duly certified by its corporate;
2. A certified true copy of the Applicant's SEC certificate of registration duly certified by its corporate secretary; and
3. A duly notarized corporate secretary's certificate setting forth the resolution of the Applicant's board of directors or equivalent body authorizing the purchase of the Offer Share indicated in the Application, identifying the designated signatories authorized for the purpose, including his or her specimen signature, and certifying that the percentage of the Applicant's capital or capital stock are 100% held by Philippine citizens and/or corporations, if any.

Submission of the completed Application to purchase to the Underwriter or the Selling Agents shall constitute an instruction and authority by the Applicant to the Company and/or the Underwriter and/or Selling Agents to execute any application form or other documents and generally to do all such other things as the Company and/or the Underwriter and/or Selling Agents may consider necessary or desirable to effects the registration in the name of the Applicant of the Offer Shares applied for, or any lesser number in respect of which an Application may be accepted in the stock and transfer book of the Company. The Applicant shall undertake to sign all documents and to do all other acts necessary to enable the Applicant to be registered as the owner of the Offer Shares applied for or any lesser number in respect of which an Application may be accepted, subject to the articles of incorporation and the by-laws of the Company, and the laws of the Republic of the Philippines.

Payment Terms

: The Offer Shares must be paid for in full upon submission of the Application. Payment must be made by (a) personal or corporate check drawn against an account with bank at any of its branches located in Metro Manila; or (b) a manager's or cashier's check issued by a bank, in each case, for Metro Manila clearing only. All checks should be made payable to the order of ["IPD RPS FOO"]. The check must be dated as of the date of submission of the Application and crossed "Payee's Account Only".

Acceptance / Rejection of Application

: The actual number of Offer Shares that an Applicant will be allowed to subscribe for in the Offer is subject to the confirmation of the Underwriter in consultation with the Company. All Applications shall be subject to the final approval of the Company. The Underwriter, in consultation with the Company, reserves the right to accept or reject, in whole or in part, any Application due to any grounds specified in the Underwriting Agreement entered into by among the Company and the Underwriter. Application

where checks are dishonored upon first presentation and Applications which do not comply with the terms of the Offer shall be rejected. Moreover, any payment received pursuant to the Application does not mean approval or acceptance by the Company.

Any such right to reject may be done by the Company itself or through the Underwriter pursuant to the Underwriting Agreement.

An Application, when accepted, shall constitute an agreement between the Applicant and the Company for the subscription to the Offer Shares at the time, in the manner and subject to terms and conditions set forth in the Application and those described in this Prospectus. All Applications accepted by the Company may not be unilaterally revoked or cancelled by the Applicant, in full or in part, and the rights and privileges pertaining thereto are non-transferable.

Notwithstanding the acceptance of any Application by the Company, the Underwriter or its duly authorized representatives, the actual subscription and purchase by the Applicant of the Offer Shares will become effective only upon the listing of the Offer Shares on the PSE and upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and not being suspended, terminated, cancelled, on or before the Listing Date, in accordance with the provisions of such agreement. If such conditions have not been fulfilled on or before the period provided above, all the application payments will be returned to the Applicants without interest and, in the meantime, said application payments will be held in a separate bank account with the Receiving Agent.

Refunds

- : In the event that the number of Offer Shares to be received by an Applicant, as confirmed by the Underwriter, is less than the number covered by its Application, or if an Application is rejected by the Company, then the Underwriter shall refund, without interest, within five (5) Banking Days from the end of the Offer Period, all or a portion of the payment corresponding to the number of Offer Shares wholly or partially rejected. All refunds shall be made through the Receiving Agent, Underwriter or the Selling Agents, as the case may be, with whom the Applicant has filed the Application, at the Applicant's risk.

Registration and Lodgment with PDTC

- : The Offer Shares, including the shares arising from the exercise of the Oversubscription Option, and the Common Shares arising from the conversion of the Offer Shares are required to be lodged with the PDTC. The Applicants must provide the required information in the space provided in the Application to effect the lodgment. The Offer Shares, including the shares arising from the exercise of the Oversubscription Option, will be lodged with the PDTC at least two (2) trading days prior to the Listing Date.

The Applicant may request for the uplifting of their shares and to receive stock certificates evidencing their investment in the Offer Shares through his/her broker after the Listing Date. Any expense to be incurred by such issuance of certificates shall be borne by the Applicant.

Expected Timetable

- : The time of the Offer is expected to be as follows:

Bookbuilding Period	:	[18 November – 22 November 2019]
Dividend Rate Setting Date	:	[26 November 2019]
Offer Period	:	[2 December – 6 December 2019]

Selling Agents' Deadline to Submit Firm Orders and Commitments	: [4 December 2019]
Selling Agents' Allocation	: [●]
Payment Date for Selling Agents	: [4 December 2019]
Listing Date and commencement of trading on the PSE	: [16 December 2019]

The dates indicated above may further be changed depending on market and other conditions, subject to agreement between the Underwriter and the Company, subject to the approval of the PSE and the SEC.

Risks of Investing : Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Offer Shares. Certain of these risks are discussed in the section entitled "Risk Factors" of this Prospectus and include: risks relating to the Company's business, risks relating to the Philippines, risks relating to the Offer and the Offer Shares and risks relating to certain statistical information in the Prospectus.

Issue Manager, Underwriter, and Bookrunner : Unicapital, Inc.

Legal Counsel to the Company : Pacis & Reyes

Legal Counsel to the Issue Manager, Underwriter, and Bookrunner : Picazo Buyco Tan Fider & Santos

Selling Agents : The PSE Trading Participants

Stock Transfer Agent : BDO Unibank, Inc. – Trust and Investments Group

Receiving Agent : BDO Unibank, Inc. – Trust and Investments Group

RISK FACTORS

Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Prospectus, including the Company's financial statements and notes relating thereto included herein, before making any investment decision relating to the Offer Shares. However, this section does not purport to disclose all the risks and other significant aspects of investing in the Offer Shares. Additional risk factors and uncertainties not at present known to the Company, or which the Company currently deems immaterial, may also adversely affect the Company's business, financial condition or results of operations. The Company's past performance is not an indication of its future performance. Investors deal in a range of investments, each of which may carry a different level of risk. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Company's business, results of operations, financial condition and prospects and cause the market price of the Offer Shares to fall significantly and investors may lose all or part of their investment.

Investors deal in a range of investments each of which may carry a different level of risk.

This Prospectus contains forward-looking statements that involve risks and uncertainties. The Company adopts what it considers conservative financial and operational controls and policies to manage its business risks. The actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences, thereby making any investment in the Offer Shares speculative or risky, may be summarized into those that pertain to the business and operations of the Company, in particular, and those that pertain to the over-all political, economic and business environment in general. These risk factors and the manner by which these risks may be managed are presented below. The risk factors discussed in this section are of equal importance and are only separated into categories for easy reference.

GENERAL RISK WARNING

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Past performance is not a guide to future performance. There is an extra risk of losing money when securities are bought from smaller companies. There may be a big difference between the buying price and the selling price of these securities. An investor deals in a range of investments each of which may carry a different level of risk.

PRUDENCE REQUIRED

The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake its, his or her own research and study on the trading of securities before commencing any trading activity. Investors may request information on the securities and Issuer thereof from the SEC which are available to the public.

PROFESSIONAL ADVICE

Investors should seek professional advice regarding any aspect of the securities such as the nature of the risks involved in the trading of the securities, especially in the trading of high-risk securities. Each investor should consult his own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an investment in the Offer Shares.

RISKS RELATING TO THE COMPANY'S BUSINESS OPERATIONS

Market and Operational Risk

The Company faces market and operational risk as a relatively young enterprise. Simultaneous development of current and future projects could require optimization of finite resources. To mitigate this risk, the Company applies a phased development approach to each project. Full development is divided into subsequent phases, and each preceding phase may stand alone as a finished product in the event that, for any reason, market or operational challenges affect the project so that returns would be higher if the project were built only to the extent of early or middle phases. A phased development

strategy will effectively manage market and operational risks, as this affords the Company with the flexibility to optimize finite resources by adjusting timing and abridging particular projects in favor of refocusing on others, as demand may dictate. Should there be a weaker performance in particular developments, the Company stands ready to re-prioritize in favor of other projects which it believes would provide the best returns to the Company and its shareholders, or it may choose to pursue its plans at a slower pace of growth.

Significant competition in the real estate industry

Most of the Company's competitors are established market leaders who have the advantages of greater financial strength, developmental resources, brand recognition, and in-house manpower. Because of the high level of competition now prevailing in the Philippine real estate industry, there is no assurance that these major players will not directly compete or enter the niche markets of the Company.

To mitigate this risk, IDC differentiates itself from other real estate developments in the Philippines and provide a value advantage to its clients through its thrust of sustainable and eco-friendly real estate development projects. The Company also continues to pursue its first mover strategy in developing projects in up and coming cities where there may be less competition. Moving forward, the Company will continue to strengthen its organization in order to support its growth plans and better compete with bigger real estate players.

Failure to meet customers' expectations and standards

Property developers warrant that their projects are structurally sound for a period of fifteen (15) years from date of completion of the project. They are also responsible for hidden defects. The Company or its officials may be held liable for administrative fines or criminal penalties in case of any violation of Republic Act No. 6541, as amended, or the National Building Code of the Philippines (the "Building Code"). Moreover, the Company may be held liable for damages, for uninsurable events, or matters not subject to effective indemnification agreements with the Company's contractors.

In the event of claims arising from defects, the Company's reputation and its business, financial condition and results of operations may also be adversely affected.

To mitigate this risk, the Company ensures that all its projects are carefully executed to meet required standards. The Company also ensures that construction materials are of good quality and are sourced from reputable suppliers. Supplier selection is done through a competitive bidding process and the contracts for each project are covered by adequate bonds, insurances, and indemnity provisions.

Ability to obtain financing for project development

In 2012, the Bangko Sentral ng Pilipinas (BSP) intensified its monitoring of bank real estate exposures (REE) by expanding the definition of REE to include investments in debt and equity securities that finance real estate activities, loans to developers of socialized and low-cost housing, loans to individuals, and credit supported by non-risk collaterals or Home Guarantee Corporation guarantees. Further, beginning in 2014 the BSP ordered universal, commercial and thrift banks to conduct Real Estate Stress Tests (RESTs) to determine whether its capitalization is sufficient to absorb a severe shock from its real estate exposure.

Stricter lending and prudential regulations may reduce the lending appetite of banks in the Philippines, which in turn may adversely affect the Company's ability to secure financing for its project developments and its prospective customers' ability to secure bank financing at favorable terms.

To mitigate this risk, the Company practices prudent financial management to minimize its possible effects. The Company has initiated the process of reducing the debt component and increasing the equity component in its financial structure through the issuance of the Offering of preferred shares.

To improve prospective customers' access to debt, the Company provides in-house financing schemes, and will continue to enhance those, including special incentives for cash such as the granting of discounts up to 10% for outright cash payments made by the buyer with the balance of total contract price to be settled either thru in-house or bank financing.

Availability of land for use in the Company's future projects

The ability of the Company to continue its growth and expansion is largely based on its ability to acquire prime properties in its target locations. In the event that the Company is unable to acquire lots at acceptable prices, its growth could be limited and the results of operations could be adversely affected.

To mitigate this risk, the Company is largely concentrating on prospective areas in early growth phases such as Southern Luzon & Visayas in order to optimize exposure to growth. The Company will also remain flexible in its investment structures, whether these be direct land acquisitions or joint venture developments.

Risks on project cost and completion

The Company faces the risk of escalating project costs and inability to complete its projects should there be significant cost overruns due to lapses in materials and labor cost estimation. Cost overruns would also arise if there are many alterations and deviations from the original design and technical plans which were not anticipated. The delayed completion of the project could result in additional costs aside from hindering the sales take up of the project which in turn may affect the Company's cash flow. Further, significant project delays will negatively affect the Company's reputation as it might experience difficulty in attracting customers to its future projects. This will adversely affect the results of Company's operations and financial performance.

To mitigate cost overruns, IDC enlists the services of professional and qualified quantity surveyors and cost estimators who determine the bills of quantities based on prevailing market prices and industry standards. Technical plans of each project are carefully reviewed by specialty engineering consultants to determine if they are compliant with the national and local building codes as well as to confirm if the bill of quantities are fair, reasonable and accurate. IDC has also managed to reduce costs in some of its projects by procuring some of the major construction materials like iron rebars directly. In the near term, it plans to expand its capability to source construction materials such as cement, tiles and toilet fixtures directly.

To ensure timely completion of its projects, IDC, through a competitive bidding process, selects only pre-qualified triple AAA licensed contractors with proven track records as the project managers and general contractors for its projects. IDC also maintains dedicated professional and qualified engineers as its organic personnel who are responsible for project and construction management, coordination and monitoring construction progress. Further, construction contracts include provisions for penalties for any form of delay.

Insufficient funding to finance project developments

This risk could occur if the Company embarks on a project without securing the funding for its capital expenditures. This also may occur if the company embarks in the development of multiple projects at simultaneously which would hinder the Company's ability to service large amounts capex outlay.

To mitigate this risk, IDC ensures that the financing of a project is secured from partner banks, which usually grant term loans up to 70% of project costs, before it commences project development. Additionally, IDC implements the construction of its projects by phases or stages. As a policy, the Company commences construction of succeeding project phases when sales has reached at least 70% of the preceding project phase. Aside from its capital and retained earnings, the company also engages in pre-selling activities upon issuance of the license to sell and prior to the start of construction to generate additional cash flows.

Delay or failure to pay loan obligation(s)

The Company utilizes a mix of equity and debt to finance its projects. In the event that the Company is delayed, or compromised in its compliance with the payment of its loan obligations, it may become at risk of defaulting and may experience adverse effects on credit ratings. To mitigate this risk, the Company practices prudent financial management to ensure a well-managed balance sheet and timely payment of its obligations.

Risk relating to the collateralization of assets for loans obtained

As the Company's bank loans are secured through collateralization of assets or mortgaged properties, IDC faces the risk of losing its properties in the event of a foreclosure due to a default on its debt obligations. Moreover, when one reneges on its loan obligation, it blemishes its reputation with and erodes the trust of its funders or investors. With the advancements in the credit and background checking by CMAP and other independent credit risk rating agency, a delinquent borrower may be red-flagged and blacklisted by any and all lenders.

To mitigate this risk, IDC is vigilantly committed to protect its good credit standing with all its bank partners. It ensures that its liquid assets are not impaired and are able to service its maturing debts. The Company manages its loan exposure and cash flow effectively by maintaining a debt to equity ratio not exceeding 70:30. Furthermore, it conducts close monitoring of its loans repayment schedule to determine its maturing loans when it falls due.

Kindly see p.[96] of this prospectus for a table summary and a discussion of the Company's outstanding loan obligations.

Availability of financing to acquire new land at favorable terms and interest rates

The Company sources long term financing to acquire new land for future development. There is no assurance that the Company can continue to raise additional financing at favorable terms to support its future growth plans. Furthermore, obtaining additional debt funding may result in an increase in the Company's debt ratios, which could materially and negatively affect its existing debt covenants and obligations.

To mitigate this risk, the Company practices prudence in identifying new lands for future acquisitions. The Company targets to acquire new lands that are situated in emerging growth towns and cities with available transportation, infrastructure and communication facilities, and essential services in order to increase the likelihood of the land being an acceptable collateral for future financing. Before funding is committed to acquire new land, an initial market assessment is done to establish the commercial prospects of the location. Additionally, the Company pursues phased developments of its projects and has allocated to use a portion of the proceeds of the Offer for landbanking purposes.

Higher inflation and Interest rates

Fluctuations in interest rates could negatively affect the margins of the Company with respect to sales and receivables and could hinder the Company's ability to avail new debt on favorable terms, or at all. Higher interest rates also affect the Company's ability to repay debt obligations. Additionally, higher interest rate levels also affect the affordability and desirability of the Company's condominium units as several of the Company's customers obtain some form of financing for their real estate purchases. Higher inflation rates negatively affect the general population's purchasing power, which could limit the prospective clientele of the Company.

To manage the risk on interest rates, IDC is prudent in availing loans from banks for both its short term and long term obligations to ensure that its gearing or debt to equity ratio is within or even lower than the standard set by banks. IDC also regularly monitors movements in interest rate levels and compares the rates on loans offered by banks and negotiates for the lowest possible interest rate on its loans as necessary.

To mitigate the risk on inflation, the Company may implement flexible payment terms, discounts, and creative promotional strategies to its customers.

Volatility of the Value of Philippine Peso against the US Dollar and other Currencies

Historically, the Philippines has experienced volatility in the exchange rate between the Philippine peso and the USD, as well as against other currencies. In Sept. 10, 2018, the Philippine Peso to US Dollar exchange rate closed at 54.30 : 1, its highest level since 2005. Fluctuations in foreign exchange rates may negatively impact Philippine consumers' purchasing power or preferences, which could affect the Company's financial condition and results of operations.

Other than the increase in prices of services, imported materials and equipment including furniture and fixtures purchased by the Company, the Company is not significantly affected by exchange rate fluctuations since its obligations are not denominated in US dollars or any foreign currency. If and when the peso depreciates against the US Dollar or other foreign currencies, the effect is favorable to buyers of its residential units, including OFWs, who are earn in dollar- or other foreign-denominated currencies.

Approval of permits and other regulatory licenses necessary for the business

Before any real estate development project can commence in the Philippines, it is required that all permits and licenses are secured from and approved by regulatory agencies such as DENR for the Environmental Clearance Certificate, Barangay Council for the Barangay Clearance, LGU for the City/Town Zoning and Locational Clearance, HLURB for the Development Permit, Certificate of Registration and License to Sell, Office of Building Official for the Building Permit, Electrical, Fire and Sanitary permits etc. Securing all the required permits and licenses takes about 8-12 months. Any delays in securing such permits and licenses or worse, disapproval of the concerned regulatory or government agencies may result to substantial delays or even a complete halt in the development of the Company's projects.

To manage this risk, IDC ensures that it complies with all the requirements of the regulatory agencies and sees to it that the documents are complete. The Company assigns personnel who are knowledgeable about the regulatory application and approval process.

No assurance of successful implementation of business plans and strategies

The plans and strategies of the Company may not yield the expected results. As a real estate developer, the Company's success is supported by its ability to continuously develop a portfolio of winning project developments. Having the first-mover advantage by pursuing project developments in up and coming cities, where other real estate developers do not yet have a significant presence is also a core part of the Company's strategies. There can be no assurance that all its project developments will be successful or that the market in the target locations will be receptive or sufficiently-sized to sustain the proposed projects.

To mitigate this risk, regular meetings will be conducted by the Board of Directors and of management in order to ensure that the plans and strategies are aligned and being enforced, and remains realistic. The Company also continuously researches and re-assesses market patterns in its target locations.

Risk associated with its in-house financing activities, including the risk of customer default

The Company extends in-house financing as one of the modalities given to the buyer to purchase a residential unit. Based on IDC's historical sales performance, buyers who purchase units through in-house financing comprise less than 10% of total units sold. With the provision of in-house financing, the Company faces risks of delayed payments and/or customer default or non- payment of monthly amortizations.

To mitigate this risk, the Company's sales and documentation personnel screen and pre-qualify buyers of residential units on an in-house financing basis. The screening and pre-qualifying process involves an assessment of the buyers' capacity based on income and verification of documents such as employment, billing address, marital status as well as business conditions for those that are self-employed or have businesses. As a policy, the company also requires its buyers to issue post-dated checks for the entire approved amortization period, which ensures timely collection of receivables. Furthermore, IDC has strengthened its Contract to Sell with clear and specific provisions pertaining to events like default and penalties for delayed payments. In the event of default or any non-compliance to the contract, IDC may cancel and rescind the sale after giving the buyer due notice. To date, IDC's customer default rates stand at less than 4% of total units sold.

Substantial sale cancellation

As a developer and seller of residential real estate, the Company's business, financial condition and results of operations could be adversely affected in the event of a material number of sales cancellations. Cancelled sales occur when the buyer, after paying the fee to reserve the unit, no longer

wishes to continue to purchase the unit or, in some instances, is unable to continue to pay monthly equity amortizations.

While the Company historically has not experienced a material number of cancellations, there can be no assurance that it will not experience a material number of cancellations in the future. The Company is subject to Republic Act No. 6552 (the “Maceda Law”), which applies to all transactions or contracts involving the sale or financing of real estate through installment payments, including residential condominium units and horizontal residential units. Please refer to the section of the prospectus entitled *Risk Factors* for a more detailed discussion on the Maceda Law.

To mitigate this risk, IDC conducts customer screenings and evaluates buyers’ capacity to pay for condominium units based on their income before concluding sales transactions. In addition, it also conducts financial literacy orientation for its buyers. In the event of sales cancellation, the cancelled unit is immediately returned to inventory and reopened for sale to interested buyers. In more than ten (10) years of operations, IDC has been fortunate that sales cancellation is consistently very minimal (ie. less than 6% of total sold units).

Reputational risk of directors and officers of the company

Reputational risk is the potential loss to financial, capital, social and/or market share resulting from damages to a firm’s reputation. This is often measured in lost revenue, increased operating, capital or regulatory costs or destruction of shareholder value. This risk involves the directors, officers, and control persons of the Company, most of whom are connected with other public and/or private companies. There is no assurance that any of the Company’s directors, officers, and major shareholders will not be involved in future litigation or other disputes, the results of which may materially and adversely impact the public perception on the Company.

To manage this risk, IDC ensures that its directors and officers surpass the minimum standards of character, professionalism, integrity and competence. The Company screens and validates the profile of its directors and officers to ensure they were not convicted of any administrative or criminal cases.

Shortage in the supply of qualified and skilled technical personnel in the real estate industry

IDC engages triple AAA licensed contractors who are responsible for undertaking the construction of its projects. These contractors which are accountable to perform specific contract works such as structural, electrical, mechanical and plumbing and sanitary works, maintain a pool of qualified and skilled personnel at any time and are fully committed to comply with the manpower requirements of the project. In addition, IDC maintains an in-house architect and engineering team and outsourced consultants who are responsible for IDC’s project management and design. Thus, this risk has minimal effects on IDC’s real estate projects.

Information security risks

Cybersecurity threats to information security such as computer software attacks (i.e attack by computer viruses/ malware, phishing, hackers etc.) intellectual property theft, identity theft, equipment or information theft can negatively affect any business and may result to property losses, business interruption, employee injuries and liability losses among others.

To mitigate these risks, the Company uses remote data backups and installed virus/malware scanning for email attachments. It also educates its employees to be careful in handling sensitive and confidential information. Only authorized employees are provided access to important financial records. The Company also complies with the law governing the data privacy act.

Inherent risks

Some risks are inherent to the real estate or property business such as damage to property resulting from as natural disasters, fire, damage by tenants and robbery or vandalism. The unpredictable nature of the housing market also affects sales which in turn, affects the Company’s liquidity.

To mitigate these risks, the Company obtains comprehensive liability insurance for its projects which covers perils such as fire and natural disasters, accidents, theft and robbery. IDC also employs 24/7 security detail to safeguard its property and its real estate projects.

While there is no way to control the impact of an unpredictable housing market, IDC mitigates the associated risks by knowing and understanding its target market's needs. The Company continues its endeavor to offer the right product, at the right price and at the right location to successfully capture and retain its customers.

Dependence on Key Personnel

Considering that the present management team is limited while the Company is still in a growth stage, there may be a risk of over dependence on its key personnel which may pose challenges in the event of resignation, retirement, or termination. To mitigate this risk, the Company continually structures its remuneration practices in order to reward loyalty and longevity among deserving personnel. The Company also intends to recruit, train, and reward its current and future employees to promote organic growth and continuity. Furthermore, the key personnel are major stockholders of the Company.

Delay or failure to acquire equipment or furniture and fixtures

The occurrence of this risk may be due to the negligence of management to anticipate the essential equipment or furniture and fixtures needed by its project. Should it not be able to provide the specific equipment or furniture and fixtures that it has committed to provide in its real estate projects, its branding and reputation may be negatively affected.

To manage this risk, the Company identifies equipment or furniture and fixtures that are planned to be procured and or installed well ahead of time. It also maintains several accredited suppliers for its equipment and furniture and fixture requirements. In the worst case scenario that the particular equipment or furniture and fixture is unavailable locally, it has the option to source from suppliers abroad or replace this equipment with similar types that are readily available on the local market.

Titles over land owned by the Company may be contested by third parties

While land ownership is proven by land titles, it is not uncommon in the Philippines to have third party claimants. To mitigate the risk, the Company conducts comprehensive due diligence and extensive title searches before it acquires any parcel of land to ensure that it secures a clean title and absolute ownership of a property.

Domestic asset price bubble

In the event of an asset bubble in the real estate industry, prices of real estate assets become remarkably higher than their actual value. To mitigate this risk, the Company's maintains its core strategy of focusing on underserved markets, away from main cities where the threat of an asset bubble is most significant. The Company also intends to continue developing its leasing businesses which are less exposed to the risk of an asset bubble. These businesses may include leasing, serviced apartments and tourist facilities which will generate a steady stream of recurring income.

Risk of Net Loss (Quarterly or Annually)

The Company may incur net losses as a result of its operations. To mitigate this risk, the Company closely measures its targets in both sales and expenses for better control and management to deliver the projected bottom line. Net losses may also be reflected in the quarterly income statement due to seasonality and booking of sales.

Contracts with Suppliers and/or Customers

The Company may be affected in case of irregularities in the application or outcomes of contractual agreements with suppliers and service providers. To mitigate this risk, the Company carefully screens the contracts of its suppliers and service providers in terms of scope of work, methodology, time table, deliverables, payment methods, warranties, and the like. The Company engages the most appropriate supplier and/or service provider, chosen by way of diligent negotiation on the Company's part, in order

to protect the Company's interests. The Company also has a standard Contract to Sell for its customers, which is updated as needed in order to reasonably and appropriately protect the Company's interests, within Philippine law. The Company also receives legal advice from its legal counsel with regard to contracts.

Refinancing risk

Refinancing risk occur when a borrower cannot refinance by borrowing additional debt to repay its existing debt obligations. This risk increases during a rising interest rate environment which may cause IDC to experience difficulty in meeting higher interest payments on refinanced loans. To date, the Company has not had an occasion where it availed of refinancing. However, there is no assurance that the Company will not refinance its loans in the future.

To manage this risk, the Company sees to it that its loan obligations are up to date and maintains a very good credit score with all its partner banks.

Risk on Train Law/Train Act

The TRAIN Law aims to reform the tax package on land and property valuation by simplifying the taxation process, appraise properties on regular basis and on an internationally accepted standard and lower the rate of transaction taxes on real estate properties. The law has both negative and positive effects on the real estate industry once a broader and more detailed provision on property valuation and taxes would be implemented in the third package.

Property developers such as IDC, if it plans to venture into socialized housing and low-cost housing development are expected to benefit from this law since it should make selling low-cost housing projects easier and more convenient to property seekers. Under the first package of TRAIN law which took effect on January 1, 2018, lots and house and lots (and other properties which are deemed residential) worth Php1,500,000 and Php 2.5 million below, respectively, are exempt from being levied a value-added tax.

There is also a tax relief on young professionals who comprise as much as 47% of the country's labor force who are renting or leasing P15,000 a month for apartments or condo units near their workplace for easier accessibility, comfort and convenience. They are to benefit from VAT exemption as well as removal of VAT on association dues for condominiums. This incentive in turn will increase the demand for apartments and condo units near the work place which can help decongest traffic in the cities.

On the other hand, the law increased the documentary stamp tax which increased the cost of transactions and in doing business. Additionally, the value-added tax of 12% imposed on residential units for sale worth P2.5 million and above, increased the total contract price which in turn makes selling these properties more challenging.

To manage the negative effects of the TRAIN law as it concerns the real estate industry, IDC would have to re-position its mixed-use condominium projects with more studio units which will be offered at an affordable price to the middle and higher- income market. Moreover, these affordable residential condo units costing up to Php2.5 million can be packaged as attractive investments for lease to or owned by the young professional workforce. IDC may also consider to venture into the low-cost housing market to benefit from the tax incentives under the TRAIN law.

Occurrence of natural and other catastrophes

The Philippines has experienced a significant number of major natural catastrophes over the years, including typhoons, volcanic eruptions, earthquakes, storm surges, mudslides, fires, droughts, and floods. Natural catastrophes will continue to affect the Philippines and may negatively affect the Company's real estate projects.

IDC sees to it that its design and technical plans are compliant at the minimum with the specifications and standards of the national and local building code. IDC's contractors are required to strictly enforce all safety and security measures in the construction of its projects. It is also a mandatory requirement to have a contractor's all risk insurance to cover all risks that may occur during construction. The Company also has a comprehensive liability insurance for its properties covering all perils such as

earthquake, fire, flood including personal and group liability coverage on accidents, death, theft and robbery.

Nevertheless, there is no assurance that the insurance coverage that the Company maintains for these risks will adequately compensate for all damages and economic losses resulting from natural calamities. Such losses could materially and adversely affect the Company's business, financial condition and results of operations. The Company mitigates this risk through the geographic diversity of its projects, thereby minimizing the impact of a potential natural catastrophe. The Company's projects are also located in relatively less flood-prone areas.

A portion of demand for the Company's products is from foreign buyers, which exposes the Company to risks relating to the performance of the economies of the countries where these potential customers are located.

Foreign buyers generate a portion of the demand for the Company's housing and land development projects. A number of factors could lead to a reduction in the number of foreign buyers or a reduction in the purchasing power of foreign buyers, among other effects. These include:

- an appreciation of the Philippine peso, which would result in the decreased value of the other currencies transmitted by foreign buyers relative to the Philippine peso;
- difficulties in the transmittal of funds;
- a downturn in the economic performance of the countries and regions where a significant number of these potential customers and supporters are located;
- the imposition of restrictions by the Government on the acquisition of condominium units by foreign citizens

RISKS RELATING TO THE PHILIPPINES, GOVERNMENT REGULATIONS AND ECONOMIC FACTORS

Economic Instability and Downturns could have a material adverse effect on the Company's business and operations.

The Philippine economy remains exposed to significant economic and political risks. As the Company's business and assets are concentrated in the Philippines, the results of the Company's operations is greatly influenced by the general state of the Philippine economy.

Historically, the Company has derived all of its sales and operating profits from its development activities in the Philippines. Its business is highly dependent on the state of the Philippine economy and the Philippine property market. Demand for, and prevailing market prices of, developed land, and house and lot units are directly related to the economic, political, and security conditions in the Philippines.

The Philippines has experienced periods of slow or negative growth, high inflation, significant depreciation of the Philippine peso, and the imposition of exchange controls. In 2018, inflation averaged at 5.2%, above the BSP's target range of 2% to 4% for the year. The monthly inflation rate topped at 6.7% in November 2018, which is the highest in almost a decade. Inflation breached the BSP's inflation target for 2018 and spiked to near-decade high in September and October primarily due to higher excise taxes on certain commodities, food supply bottlenecks, and rising fuel prices. The Monetary Board addressed rising inflation rates by raising the overnight deposit rate by a total of 175 basis points in five rate setting meetings in 2018. Year-to-date, the inflation rate averaged 4.1% with inflation slowing down to 3.8% in February 2019, bringing inflation closer to the BSP's target range. The slowdown was attributed to the slower annual increase in the Consumer Price Index (CPI) of the heavily-weighted food and non-alcoholic beverages as well as of other commodity groups. Although inflation has stabilized from its decade-highs in 2018, the BSP does not expect to lower the overnight deposit rate and bank reserve rate as the year-to-date inflation figure is still slightly above the target range.

Inflation directly affects how consumers allocate the amount of disposable income available to them. Deterioration of the Philippines' economic conditions such as unstable spikes in the inflation rate may adversely affect consumer sentiment and investment appetite. There can be no assurance that current or future Governments will be as competent in managing the macroeconomy and adopting economic policies conducive to sustaining economic growth.

Interest rate levels directly affect the Company's cost of capital and subsequently, the financial viability of its projects. While the Company practices prudent financial management to minimize possible effects of the uncontrollable risks related to the Philippine economy in general and to the Philippine real estate industry in particular. Unforeseen economic downturns may materially and adversely affect the Company's financial condition and results of operations.

The Company's business operations may be affected by political and social instability in the Philippines.

Political and terrorist threats could adversely affect the general conditions and business environment in the Philippines, which could have a material effect on the operations and financial performance of the Company. The Philippines has from time to time experienced political, social and military instability and no assurance can be given that the future political environment in the Philippines will be stable.

The Philippines' war on illegal drugs advocated by President Rodrigo Duterte has also gained the attention of international press and the country's Commission on Human Rights because of the 1,000 alleged drug dealers and users killed in police operations and more than 1,300 drug dealers and drug users killed by supposed vigilantes. These drug-related killings have been subject to legislative inquiries. On December 7, 2016, the Senate Committees on Justice and Human Rights and on Public Order and Dangerous Drugs released a joint Committee Report No. 18 calling for the raising standards of accountability while expressing support for the war against illegal drugs and criminality within boundaries of the law.

On June 6, 2017, the Bangsamoro Transition Commission approved the final draft of the BBL. The final draft was submitted to President Rodrigo Duterte in the presence of Congress on July 17, 2017. On September 20, 2017, President Duterte gave verbal commitments to certify as urgent the BBL in order to facilitate the immediate passage of the bill. On February 1, 2018, President Duterte gave further verbal commitments to have the BBL passed before any charter change to the Constitution, and the administration remains to expect the passage of the bill by March 2018.

On May 30, 2018 and May 31, 2018, the House of Representatives and the Senate, respectively, approved their final version of the bill. Representatives from the two chambers of Congress met for the bicameral conference committee on July 9 to 13, 2018 to iron out differences in their versions of the BBL. On July 27, 2018, President Rodrigo Duterte signed Republic Act No. 11054, approving the BBL, which was renamed the "Bangsamoro Organic Law".

The Philippine local elections were held on May 13, 2019. The Company does not see significant risk brought about by the election of the local officials who hold office in the cities and municipalities where it has developments.

The Bangsamoro plebiscite was held on 21 January 2019 and the Bangsamoro Organic Law was ratified. Furring the said plebiscite, the people of the Autonomous Region in Muslim Mindanao (ARMM) voted to ratify the law creating a new Bangsamoro region also known as the Bangsamoro Autonomous Region in Muslim Mindanao which will replace the ARMM. The next step is for President Duterte to appoint the chief minister and officials who will form the Bangsamoro Transition Authority.

Increase in regulations, introduction of new laws, change in existing law or interpretation thereof as well as changes initiated by the new Government with respect to economic or regulatory policies, and national regulations and legislations could have an adverse effect on the Company's business operations.

Philippine Competition Act

The Philippine Competition Act went into effect last August 5, 2015. This law created the PCC which regulates, among others, the conduct of business entities in the market as well as mergers and acquisitions. The law prohibits price fixing and bid rigging between or among competitors in the market. It also prohibits abuse of dominant position by market players, dominance being presumed by law if an enterprise has at least 50% percent of the relevant geographic or product market. The law also prohibits mergers and acquisitions that substantially prevents, restricts or lessens competition in the market. The law mandates compulsory notification to the PCC if: (a) the transaction value exceeds ₱2.2 billion (effective 01 March 2019) and (2) the aggregate annual gross revenues in, into or from the Philippines,

or the value of the assets in the Philippines of the ultimate parent entity of at least one of the acquiring or acquired entities, including that of all entities that the ultimate parent entity controls, directly or indirectly, exceeds ₱5.6 billion (effective 01 March 2019).

Failure to file the notification forms within the prescribed period shall subject the parties and their ultimate parent entities to certain fines. Under the Implementing Rules and Regulations of the Philippine Competition Act, the filing of notification forms by the parties with the Competition Commission beyond the prescribed period, but before consummation of the transaction may subject the parties and their ultimate parent entities to a fine in the amount of ½ of 1% of 1% of the value of the transaction.

If the ultimate parent entities of the parties to the merger and/or parties to the merger refuse or fail to comply with the notification obligations under the Competition Act, the merger (or the agreements implementing the same) may be considered void, and the parties may be made liable to pay an administrative fine of 1% to 5% of the value of the transaction.

Penalties for violation of the law consist of administrative fines which can be as high as ₱100 million for the first offense and ₱250 million for the second offense. The law also grants private parties who suffer damages as a result of the violation the right to file an action for damages against the guilty parties. The new law subjects violation of the provisions on price fixing and bid rigging between and among competitors to criminal liabilities in addition to the administrative and civil liabilities provided thereunder.

TRAIN Law

The TRAIN Law or Republic Act No. 10963 was signed into law by President Rodrigo Duterte on December 19, 2017.¹ It became effective on 01 January 2018. Under the said law, the sale of shares of stock listed and traded through the local stock exchange shall now be taxed at 6/10 of 1% of the gross trade amount. Individual holders of the Offer Shares will have to shoulder the added cost and may suffer diminution of expected returns on their investment.

As the Company's operations are concentrated in the Philippines, any unexpected policy changes or issuance of new legislations and regulations which directly impact the Company's business, could negatively affect the Company's prospects and financial condition.

Revised Corporation Code

On 20 February 2019, President Rodrigo R. Duterte signed into law the Revised Corporation Code of the Philippines (R.A. No. 11232) ("RCC"), which amended certain provisions of the old Corporation Code. The RCC took effect on 23 February 2019. According to Senator Franklin M. Drilon, the principal sponsor and author of the RCC, the RCC provides key reforms in four areas of corporate governance, namely: improving the ease of business in the country, prioritizing corporate and stockholder protection, instilling corporate and civic responsibility, and strengthening the country's policy and regulatory corporate framework.

As the Company's operations are concentrated in the Philippines, any unexpected policy changes or issuance of new legislations and regulations which directly impact the Company's business, could negatively affect the Company's prospects and financial condition.

The RCC introduced a handful of changes, but these changes will not in any way adversely affect the Company. The Company continues to be compliant with the provisions of the Revised Corporation Code and any rules and regulations of the SEC.

Acts of terrorism could destabilize the Philippines and could have a material adverse effect on the Bank's business, financial condition and results of operations.

The Philippines has been subject to a number of terrorist attacks in the past several years. The Philippine Constitution provides that, in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately-owned public utility or business. In the last few years, there has been political instability in the Philippines, including impeachment proceedings against two former presidents and the chief justice of the Supreme Court of

¹ https://pcoo.gov.ph/news_releases/train-reduce-income-tax-burden-filipinos/

the Philippines, hearings on graft and corruption issues against various government officials, and public and military protests arising from alleged misconduct by previous and current administrations.

The Philippine army has been in conflict with the Abu Sayyaf organization which has been identified as being responsible for kidnapping incidents and other terrorist activities particularly in the southern Philippines. Moreover, isolated bombings have taken place in the Philippines in recent years, mainly in regions in the Mindanao regions. Although no one has claimed responsibility for these attacks, it is believed that the attacks are the work of various separatist groups, possibly including the Abu Sayyaf organization. An increase in the frequency, severity or geographic reach of these terrorist acts could destabilize the Philippines and adversely affect the country's economy.

The Government, through the Armed Forces of the Philippines ("AFP"), has clashed with members of several separatist groups seeking greater autonomy, including the Moro Islamic Liberation Front ("MILF"), the Moro National Liberation Front ("MNLF") and the New People's Army. On May 23, 2017, a firefight between the government troops and the Maute group, a radical Islamist group composed of former MILF guerrillas took place in Barangay Malutlut, Marawi City after a joint operation of the Armed Forces of the Philippines and Philippine National Police was launched in Marawi City to capture terrorist leader Isnilon Hapilon. Hapilon is believed to be the Islamic State's ("ISIS") leader in Southeast Asia. President Duterte declared martial law in Mindanao, citing the attack as possibly rebellion. Intense military operations ensued to hunt down terrorist rebels, which resulted in casualties of 847 Maute fighters, 163 government troops and 47 civilians. A total of 359,680 people in Marawi have been displaced. On October 17, 2017, President Duterte declared the liberation of Marawi. On October 23, 2017, Defense Secretary Delfin Lorenzana announced the termination of all combat operations in Marawi.² The province of Mindanao has been placed under Martial law until Dec. 31, 2019 after the Philippine Senate and Congress' approval of its extension last Dec. 28, 2018.

On September 2, 2016, a bombing that killed 15 and injured 71 took place in Davao City, Mindanao. It is believed that the Abu Sayyaf organization and/or their allies are responsible for the bombing. In May 2017, members of the "Maute group," a local terrorist group with alleged allegiances to the Islamic State of Iraq and Syria, captured parts of Marawi City in Lanao del Sur to allegedly establish an Islamic State caliphate in Mindanao. In response, President Duterte issued Proclamation No. 216 declaring martial law and suspended the writ of habeas corpus over the whole island of Mindanao, allowing arrests for those connected with the crisis. The Congress granted the request of President Duterte to extend martial law in Mindanao until December 31, 2017. On October 17, 2017, President Duterte declared the liberation of Marawi City from terrorists and the beginning of the rehabilitation of Marawi City. As of October 30, 2017, more than 1,000 people including at least 165 soldiers, 919 Maute group fighters, and 47 civilians have been killed since fighting broke out. Currently, several fund-raising activities are being held by local government units to help rebuild Marawi City as well as aid families of the soldiers and policemen who were killed in the campaign to retake Marawi City from terrorists.

There is no guarantee that future events will not cause political instability in the Philippines. Continued conflicts between the Government and separatist groups could lead to further injuries or deaths of civilians and members of the AFP, which could destabilize parts of the country and adversely affect or hamper the country's economy. as well as commercial traffic into and out of the Philippines, which could materially and adversely affect the Company's business and expansion plans, and to materially and adversely affect its financial condition, results of operations and prospects., financial condition and results of operations. An increase in the frequency, severity or geographic reach of these terrorist acts could destabilize the Philippines and adversely affect the country's economy.

Territorial and other disputes with a number of other countries may adversely affect the Philippines' economy and business environment.

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea ("UNCLOS"). The Philippines made several efforts during the course of 2011 and 2012 to establish a framework for resolving these disputes, calling for multilateral talks to delineate territorial rights and establish a framework for resolving disputes.

² Timeline: The Marawi Crisis, CNN Philippines, available at: <http://cnnphilippines.com/news/2017/05/24/marawi-crisis-timeline.html> (last accessed 27 November 2017).

Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. In April and May 2012, the Philippines and China accused one another of deploying vessels to the shoal in an attempt to take control of the area, and both sides unilaterally imposed fishing bans at the shoal during the late spring and summer of 2012. These actions threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, as well as a temporary suspension of tours to the Philippines by Chinese travel agencies. Since July 2012, Chinese vessels have reportedly turned away Philippine fishing boats attempting to enter the shoal, and the Philippines has continued to protest China's presence there. In January 2013, the Philippines sent notice to the Chinese embassy in Manila that it intended to seek international arbitration to resolve the dispute under UNCLOS. China has rejected and returned the notice sent by the Philippines requesting arbitral proceedings.

On May 9, 2013, a Philippine Coast Guard ship opened fire on a Taiwanese fisherman's vessel in a disputed exclusive economic zone between Taiwan and the Philippines, killing a 65-year old Taiwanese fisherman. Although the Philippine government maintained that the loss of life was unintended, Taiwan imposed economic sanctions on the Philippines in the aftermath of the incident. Taiwan eventually lifted the sanctions in August 2013 after the Government of the Philippines issued a formal apology.

In September 2013, the Permanent Court of Arbitration in The Hague, Netherlands issued rules of procedure and initial timetable for the arbitration in which it would act as a registry of the proceedings. On July 12, 2016, the five-member Arbitral Tribunal at the Permanent Court of Arbitration in The Hague, unanimously ruled in favor of the Philippines on the maritime dispute over the West Philippine Sea. The Arbitral Tribunal's landmark decision contained several rulings, foremost of which invalidated China's "nine-dash line", or China's alleged historical boundary covering about 85% of the South China Sea, including 80% of the Philippines Exclusive Economic Zone ("EEZ") in the West Philippine Sea. Despite the decision, the Chinese government has maintained its position that the Arbitral Tribunal had no jurisdiction over the dispute, and thus, the decision is not binding on the Chinese government. In recent years, the Chinese Government successfully registered names for five undersea features found in the Philippine Rise (formerly Benham Rise) with the International Hydrographic Organization. This is despite the decision that the United Nations Commission on the Limits of the Continental Shelf had already granted the Philippines full territorial claim to the Philippine Rise in April 2012. While the Philippine Government downplays the Chinese names, the Philippines' central mapping agency is seeking the assistance of the Department of Foreign Affairs for the nullification of the Chinese names for underwater features from the International Hydrographic Organization-Intergovernmental Oceanographic Commission General Bathymetric Chart of the Oceans ("IHO-IOC GEBCO") Sub-Committee on Undersea Feature Names ("SCUFN").

Should these territorial disputes continue or escalate further, the Philippines and its economy may be disrupted and the Company's operations could be adversely affected as a result. In particular, further disputes between the Philippines and China may lead both countries to impose trade restrictions on each other's imports. China may also seek to suspend visits by Chinese citizens to the Philippines through travel bans, or impose restrictions on investments made by Chinese citizens in assets or properties based in the Philippines as a result of these disputes.

Any impact from such disputes could materially and adversely affect the Company's business, financial condition and results of operations.

Corporate governance and disclosure standards in the Philippines may be less stringent than those in other countries.

There may be less publicly available information about Philippine public companies than that which is regularly made available by public companies in other countries. The SEC and PSE requirements with respect to corporate governance standards may also be less stringent than those applicable in certain other jurisdictions.

On November 22, 2016, the SEC issued SEC Memorandum Circular No. 19 approving the Code of Corporate Governance for Publicly-Listed Companies ("CG Code for PLCs") to promote the development of a strong corporate culture and keep abreast with recent developments in corporate governance. Under the CG Code for PLCs, the SEC recommends publicly listed companies to have at least three independent directors, or such number as to constitute at least one-third of the members of the board, whichever is higher. As of the date of this Prospectus, the Company has three independent

directors. In addition to this, all publicly-listed companies are required to submit a new Manual on Corporate Governance to the SEC on or before May 31, 2017. The CG Code for PLCs took effect on January 1, 2017. The principles and recommendations in the new CG code for PLCs are yet to be fulfilled, and its impact to be felt, by publicly listed companies.

The occurrence of natural calamities could materially affect the operations of the Company.

The Philippines has been and is frequently affected by major natural catastrophes including typhoons, volcanic eruptions and earthquakes due to its geographical location. The Company's facilities and projects currently under construction could be severely affected by many factors, including accidents, breakdown or failure of equipment, interruption in power supply, human error, natural disasters, public epidemics, outbreak of diseases, and other unforeseen circumstances and problems.

There have been which resulted in several casualties and severe flooding in various areas in the archipelago. In 2013 alone, the country suffered the brunt of one of the strongest typhoons in global history and a deadly earthquake that killed thousands and left billions of pesos in damage to infrastructure and properties. In October 2013, an earthquake with 7.2 magnitude struck the provinces of Bohol and Cebu, killing more than 200 people and displacing tens of thousands of residents. Less than a month after, Typhoon Yolanda, the strongest and most destructive typhoon to ever hit the country in four decades, slammed Tacloban City, Leyte, Samar, and other provinces in Eastern Visayas killing more than 6,000 people.

These natural occurrences, which are not within the Company's control, will continue to affect the Philippines and there can be no assurance that these will not materially disrupt the Company's operations. Although the Company maintains insurance coverages for its real properties, there can be no assurance that these can fully compensate for damages to real properties and/or prevent economic losses resulting from such catastrophic events. Events as such may materially and adversely affect the Company's business, financial condition and results of operations.

The Sovereign Credit Ratings of the Philippines may adversely affect the Company's business.

Historically the Philippines' sovereign debt has been rated relatively low by international credit rating agencies. The sovereign credit ratings of the Government directly affect resident companies in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. As of Dec. 31, 2018, the Philippines' long-term foreign currency denominated debt was rated investment-grade by international credit rating agencies, Fitch, Standard & Poor's, Moody's. No assurance can be given that Moody's, Standard & Poor's or any other international credit rating agency will not downgrade the credit ratings of the Government in the future and, therefore, of Philippine companies. Any of such downgrades could have an adverse impact on the liquidity in the Philippine financial markets, and the ability of the Government, Philippine companies including IDC, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

Additional Taxes

The sale, exchange or disposition of the Preferred Shares after the Offer Period, if made outside the facilities of the PSE is subject to capital gains tax and documentary stamp tax, and if made through the facilities of the PSE (except for a dealer in securities) is subject to stock transaction tax. Changes in laws, rules and regulations may result in additional taxes on the acquisition, disposition, or transfer of the Preferred Shares. For a discussion on the taxes currently imposed by the Bureau of Internal Revenues of the Philippines ("BIR"), please refer to the section entitled Taxation in this Prospectus.

RISKS RELATING TO THE COMPANY'S OFFER SHARES

There is no assurance that the Offer Shares will be listed on the PSE.

The subscribers of the Offer Shares are required to pay in full for their subscription upon submission of their Applications during the Offer Period. Even if the PSE has approved the Company's application to list the Offer Shares, there can be no guarantee that listing will occur on the set Listing Date or at all. Delays in the commencement of trading in shares of the PSE have occurred in the past. If the PSE

does not list the Offer Shares, the market for the Offer Shares will be illiquid and stockholders may not be able to trade the Offer Shares. This may materially and adversely affect the value of the Offer Shares.

There may be a limited market for the Offer Shares which may affect liquidity and the price of the Offer Shares.

The Company's common stock will be traded on the PSE. The trading of the Offer Shares, however, is not expected to commence until 10 calendar days after the end of the Offer Period, thereby making an investment in the Offer Shares illiquid during those 10 calendar days. There can be no assurance that a holder of the Offer Shares will be able to dispose of such Offer Shares in a timely manner. As a result, a holder of such Offer Shares may not be able to take full advantage of market gains during periods of share price increases and conversely, may not be able to limit losses during periods of sharp price declines.

In order to mitigate this risk, the Company has taken steps to ensure that it fully complies with the registration and listing requirements and regulations in order to ensure that the Offer Shares will be listed on the PSE. While there can be no assurance that the listing will occur despite these efforts, subscribers to the preferred shares would still be able to sell their shares by negotiated sale.

The market price of the Preferred Shares may be volatile.

The market price of securities can and does fluctuate, and it is impossible to predict whether the price of such securities will rise or fall. An individual security may experience upward or downward movements, and may even lose its entire value. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. There may also be a substantial difference between the buying price and the selling price of each security. Historical price performance is not a guide for future price performance and there may be a big difference between the purchase price of the securities and the eventual price at which these securities are sold. The market price of the Offer Shares will be influenced by, among other factors, the Company's financial position, results of operations, and overall stock market conditions, as well as Philippine economic, political, and other factors. The market price of Offer Shares could be affected by several factors, including:

- general market, political and economic conditions;
- changes in earnings estimates and recommendations by financial analysts;
- changes in market valuations of listed shares in general and other retail shares in particular;
- the market value of the assets of the Company;
- changes to Government policy, legislation or regulations; and general operational and business risks (including, but not limited to, technological innovations by the Company's primary competitors).

Future sales of additional shares in the public market, full conversion of the Offer Shares into Common Shares could adversely affect the prevailing market price of the Company's shares and shareholders may experience dilution in their holdings.

In order to finance the expansion of the Company's business and operations, the Board will consider the funding options available to them at the time, which may include the issuance of new Shares. If additional funds are raised through the issuance of new equity or equity-linked securities by the Company other than on a pro rata basis to existing stockholders, the percentage ownership of the stockholders may be reduced, stockholders may experience subsequent dilution and/or such securities may have rights, preferences and privileges senior to those of the Offer Shares.

Further, the market price of the Shares could decline as a result of future sales of substantial amounts of the Shares in the public market or the issuance of new Shares, or the perception that such sales, transfers or issuances may occur. This could also materially and adversely affect the prevailing market price of the Shares or the Company's ability to raise capital in the future at a time and at a price it deems appropriate.

Future changes in the currency exchange rates, resulting in the changes in the value of the Philippine Peso against the U.S. dollar will affect the foreign currency equivalent of the value of the Offer Shares.

The price of the Offer Shares is denominated in Philippine Pesos. Fluctuations in the exchange rate between the Peso and other currencies will affect the foreign currency equivalent of the Peso price of the Offer Shares on the PSE. Such fluctuations will also affect the amount in foreign currency received upon conversion of cash dividends or other distributions paid in Pesos by the Company on, and the Peso proceeds received from any sales of, the Offer Shares, as well as the book value of foreign currency assets, and income and expenses and cash flows in the Company's consolidated financial statements.

The Company may be unable to pay dividends on the Offer Shares.

There is no assurance that the Company can or will declare dividends on the Shares in the future. Future dividends, if any, will be at the discretion of the Board and will depend upon the Company's future results of operations and general financial condition, capital requirements, its ability to receive dividends and other distributions and payments from its subsidiaries, foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations, and other factors the Board may deem relevant.

Insufficient distributions upon liquidation.

Upon any voluntary or involuntary dissolution, liquidation or winding up of the Company, holders of Preferred Shares will be entitled only to the available assets of the Company remaining after the indebtedness of the Company is satisfied. If any such assets are insufficient to pay the amounts due on the Preferred Shares, then the holders of the Preferred Shares shall share ratably in any such distribution of assets in proportion to the full distributions to which they would otherwise be respectively entitled.

The Offer Shares are subject to Philippine foreign ownership limitations.

The Philippine Constitution and Philippine statutes restrict the ownership of private lands to Philippine Nationals. The term "Philippine National", as defined under Republic Act No. 7042 or the Foreign Investments Act, as amended, means a citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Revised Corporation Code of the Philippines, of which 100% of the capital stock outstanding and entitled to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine nationals.

Considering the foregoing, as long as the Company or any of the Subsidiaries owns land, foreign ownership in the Company shall be limited to a maximum of 40% of the Company's total issued and outstanding capital stock entitled to vote in the election of directors and total issued and outstanding capital stock, whether or not entitled to vote. Accordingly, the Company cannot allow the issuance or the transfer of Shares to persons other than Philippine Nationals and cannot record transfers in the books of the Company if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign land ownership discussed above. This restriction may adversely affect the liquidity and market price of the Shares to the extent international investors are not permitted to purchase Shares in normal secondary transactions.

RISKS RELATING TO THE PRESENTATION OF INFORMATION IN THIS PROSPECTUS

Certain information contained herein is derived from unofficial publications.

Certain information in this Prospectus relating to the Philippines, the industries in which the Company competes and the markets in which it operates, including statistics relating to market size, are derived from various Government and private publications. This Prospectus also contains industry information which was prepared from available public sources, including internet articles, in which the Company's business operates. Industry forecasts and other market research data, including those contained or extracted herein, have not been independently verified by the Company nor the Issue Manager, Underwriter, and Bookrunner, nor any of their respective affiliates or advisors, and may not be accurate, complete, up to date or consistent with the other information compiled within or outside the Philippines.

In particular, the section entitled “Industry” in this Prospectus does not present the opinions of the Issue Manager, Underwriter, and Bookrunner, nor any of their respective affiliates or advisors.

USE OF PROCEEDS

The total gross proceeds of the Offer will be ₱500,000,010 without the Oversubscription Option and ₱650,000,010 with the Oversubscription Option based on a ₱15.00 per share Offer Price. The estimated net proceeds to be raised from the Offer after deducting all estimated expenses related to the Offer will be approximately ₱478,770,343.00 without the Oversubscription Option and ₱623,770,718.00 with the Oversubscription Option. The computation is presented below:

OFFER SIZE	Firm Offer only (in ₱)	Firm Offer with Oversubscription (in ₱)
Estimated Total Proceeds from the Offer	500,000,010.00	650,000,010.00
Underwriting and selling fees relating to the Offer	15,000,000.30	19,500,000.30
Documentary stamp tax	166,666.67	216,666.67
SEC Registration Filing Fee	500,000.01	612,500.01
SEC Legal Research Fee	5,000.00	6,125.00
Estimated professional fees	2,438,000.00	2,438,000.00
PSE filing fee for Offer Shares and their underlying Common Shares	1,000,000.02	1,300,000.02
VAT on the PSE filing fees (Preferred Shares & their underlying Common Shares)	120,000.00	156,000.00
Estimated other expenses	2,000,000.00	2,000,000.00
Total expenses	21,229,667.00	26,229,292.00
Net Proceeds	478,770,343.00	623,770,718.00

The Company intends to use the proceeds of the Offering to fund land banking & acquisition, capital expenditures for new projects, and general working capital requirements.

Purpose	Firm Offer only (in ₱)	% of Total Amt.	With Over- subscription (in ₱)	% of Total Amt.	Schedule of Disbursement
1. Land Banking & Acquisition	200,000,000	41.8	260,000,000	41.7	2019 to 2022
2. Capital Expenditures for Projects and Pre- Operating Expenses	180,000,000	37.6	234,000,000	37.5	2019 to 2022
3. General Working Capital	98,770,343	20.6	129,770,718	20.8	2019 to 2022
Total	478,770,343	100.0	623,770,718	100.0	

Land Banking & Acquisition

A portion of the proceeds from the Offer will be earmarked for the Company's current land banking activities in Cagayan de Oro, Batangas, and other locations. A portion of the proceeds will be used to pay Pueblo de Oro Development Corporation ("PODC") for the balance of acquisition costs of Lots 1, 2 and 3 which will serve as the sites for Primavera City Phases 3 and 4. PODC has already executed Contracts to Sell for Lots 1 to 3 in favor of the Company. The remaining balance of these lots as of June 30, 2019 amounts to PHP36.27 million in total and broken down as follows: Lot 1 – PHP8.40 million, Lot 2 – PHP13.94 million, Lot 3 – PHP13.94 million. Phases 3 and 4 are scheduled to be developed in 2022 and 2024, respectively, with target completion dates in 1Q 2024 and 3Q 2027, respectively. Lots 2 and 3 each measure 937 sq.m. in size while Lot 1 measures 936 sq.m. All of these properties are located in the Pueblo de Oro Business Park in Upper Carmen, Cagayan de Oro.

The Company also has a right of first refusal over a 5,347 sq.m. parcel of land in Sto. Tomas, Batangas. The Company intends to conclude the purchase of this parcel of land using the proceeds from the Offering. This lot is slated to be the site of Miramonti Green Residences Phase 2, which is the last phase of the Miramonti project. The cost to acquire this lot from RFM Science Park of the Philippines, Inc. amounts to PHP59.89 million. No contract to sell has yet been entered into between the Company

and RFM Science Park of the Philippines, Inc. in relation to this prospective acquisition as of the date of this prospectus.

The Company intends to utilize the remaining PhP103.84M allotted for land banking & acquisition for other prospective land acquisitions in the Company's areas of interest which may include other properties in identified locations for its future developments, such as those in Southern Luzon and Visayas.

The breakdown of the property acquisitions to be funded by the proceeds from the Offer are as follows:

Projects	Lots Allotted	Lot Area (sq. m.)	Location	Status	Amount allocated from Proceeds	Estimated Date of Construction	Estimated Date of Completion
Primavera City Phase 3	Lot 3	937	CDO	w/ CTS	13.94M	2022	1Q 2024
	Lot 2	937	CDO	w/ CTS	13.94M		
Primavera City Phase 4	Lot 1	936	CDO	w/ CTS	8.40M	2024	3Q 2027
Miramonti Phase 2	Lot 1 of Block 3A	5,347	Batangas	w/ MOA	59.89M	For Future Development	
Others			Southern Luzon & Visayas	No CTS	103.84M	For Future Development	
Total					200.00M		

Capital Expenditure for Projects

The total building construction cost of Primavera City Phase 1 is estimated to be PhP669 million. Construction of the project is partially financed by a PhP350.00 million development loan from the Development Bank of the Philippines ("DBP"). The remaining balance will be financed using a portion of the proceeds from the Offer, the Company's equity, and cash generated during pre-selling activities for the project. Primavera City Phase 1 is expected to be completed by 1Q 2020.

A portion of the proceeds shall be used to augment capital expenditures for the completion of the Primavera City Phase 1 project which is 90% completed as of 30 June 2019. This will include the cost of construction change orders worth PhP40 million and payment of fees to contractors and suppliers amounting to PHP80 million. Construction change orders include the 1) installation of solar panels/PV panels including superstructures at the front side and roof top of the building 2) construction of expanded sewage and waste water treatment (STP) system and 3) water recycling system to harvest rainwater for the water requirements of the toilets and garden and the additional generator set (1,000 KVA silent type with synchronizing panel).

The total project cost of Miramonti Phase 1 amounts to PhP749 million, including the building construction cost of P669 million. This project is partially financed by a PhP420 million development loan from the Land Bank of the Philippines. PhP329 million or 44% of the total project cost will be funded by other sources of funds of the Company. As of June 30, 2019, the project which is on-going construction is 5.30% complete and slated to be completed by 4Q 2020.

The Company will allocate a portion of the proceeds from the Offer for the additional capital expenditures of Miramonti Phase 1 amounting to PhP50 million. These include the 1) purchase of a generator set (1,000 KVA silent type with synchronizing panel), 2) installation of a solar/PV panel system with super structures at the roof top, 3) installation of a water recycling system, and 4) shading/gladding devices for windows and terraces to minimize the overheating and glare effect with a reduction of up to 80% than conventional residences. Capital expenditures for Miramonti, expected to be deployed by 3Q 2020, will further enhance the overall value of the building and contribute to energy savings and efficiency.

The Company will also allocate a portion of the proceeds from the Offer for the additional capital expenditures of Miramonti Green Residences Phase 1 amounting to PhP50 million. These include the 1) purchase of a generator set (1,000 KVA silent type with synchronizing panel), 2) installation of a solar/PV panel system with super structures at the roof top, 3) installation of a water recycling system, and 4) shading/gladding devices for windows and terraces to minimize the overheating and glare effect with a reduction of up to 80% than conventional residences. Miramonti Phase 1 is expected to be completed by 4Q 2020.

The total capital expenditures to be funded from the Offer for both Primavera City Phase 1 and Miramonti Phase 1 is estimated to amount to PHP170 million broken down as follows:

Project	Date of Start / Estimated Date of Construction	Estimated Completion Date	Capital Expenditures to be financed by proceeds from offering (in PhP Mns)
Primavera City Phase 1	September 2017	1Q 2020	120
Miramonti Green Residences Phase 1	July 2018	4Q 2020	50
Total			170

Lastly, PhP10 million shall be disbursed to mobilize the pre-operating expenses of Miramonti Phase 2. The infusion of capital in other projects existing and prospective, shall be determined at such time taking into consideration the funding requirements of these projects. Any shortfall in the amount allocated to total project requirements in relation to the net proceeds shall be funded by the Company from internal sources and credit facilities.

General Working Capital

The balance of proceeds raised from the Offer will be used by the Company for general corporate and operational purposes, including the expansion of current operations. Such expansion shall include:

1. Additional manpower;
2. Additional office spaces;
3. Additional office equipment; and
4. Securing services of technical and professional advisers

Other than as stated in the above use of proceeds, the Company does not plan to use any portion of the proceeds to discharge any debt nor to reimburse any of its officer, director, employee or shareholder for services rendered, asset previously transferred, or money loaned or advanced. None of the proceeds from the offer will be used to finance the acquisition of other businesses or the acquisition of assets from affiliates or associates, other than disclosed. None of the proceeds from the Offer will be used to repay any debts of the Company with the Underwriter.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event that there is any change in the Company's development plan, including force majeure and circumstances such as failure to obtain requisite approvals, changes in government policies that would render any of the above plans and property developments commercially not viable, the Company will carefully evaluate the situation and may reallocate the proceeds for future property developments and/or hold such funds on short term deposit whichever is better for the Company's and its shareholders' interest taken as whole. In such an event, the Company will issue an announcement if there is any material change in the above proposed use of proceeds.

In the event of any significant deviation, material adjustment or reallocation in the planned use of proceeds, the Company will secure the approval of its Board of Directors for such deviation, adjustment or reallocation and promptly make the appropriate disclosures to the SEC and the PSE. The Company shall regularly disclose to the PSE, through the PSE Electronic Disclosure Generation Technology ("PSE EDGE"), any disbursements from the proceeds generated from the Offer. In addition, the Company shall likewise submit via the PSE EDGE the following disclosure to ensure transparency in the use of proceeds:

- a. Any disbursements made in connection with the planned use of proceeds from the Offer;
- b. Quarterly Progress Report on the application of the proceeds from the Offer on or before the first fifteen (15) days of the following quarter;
- c. Annual Summary of the application of proceeds on or before 31 January of the year following the initial public offering;
- d. Approval by the Company's Board of Directors of any reallocation on the planned use of proceeds, or of any change in the Work Program. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least thirty (30) days prior to the said actual disbursement or implementation;
- e. Certification by the Company's Chief Financial Officer or Treasurer and of an external auditor on the accuracy of the information reported by the Company to the PSE in the quarterly and annual reports; and
- f. A comprehensive report on the progress of its Business Plan on or before the first fifteen (15) days of the following quarter.

DETERMINATION OF THE OFFER PRICE

The Offer Price of ₱15.00 per share is at a premium to the par value of the Offer Shares of ₱0.50 per share. The Offer price was arrived at by dividing the gross proceeds of ₱500,000,010.00 by the amount of Firm Shares allocated for the Offer.

In addition to the above, the Issuer and the Underwriter further considered the offer price of recent domestic preferred share issuances and a denomination that would allow investors to easily compute for the annual dividends on the Offer Shares.

Prior to the Offer, there has been no public trading market for the Offer Shares.

CAPITALIZATION AND INDEBTNESS

The following table sets forth the Company's interim unaudited debt and capitalization as of 30 June 2019 and as adjusted to reflect the sale of the Offer shares. This table should be read in conjunction with the notes thereto located elsewhere in this Prospectus.

<i>In PhP</i>	As of 30 June 2019	After giving effect to the Offer (assuming full exercise of the Oversubscription Option)
Accounts payable and other liabilities	188,555,531	188,555,531
Borrowings, current portion	86,897,012	86,897,012
Advances from associate	21,896,432	21,896,432
Borrowings, noncurrent portion	374,455,693	374,455,693
Deferred tax liabilities	86,897,012	86,897,012
Total Liabilities	758,701,680	758,701,680
Capital Stock - Common Shares	160,809,400	160,809,400
Capital Stock - Preferred Shares	-	21,666,667
Additional Paid in Capital	157,129,244	759,233,295
Retained Earnings	231,984,078	231,984,078
Total Equity	549,922,721	1,173,693,440
Total Capitalization	1,308,624,402	1,932,395,120

DILUTION

The Preferred Shares may have a dilutive effect on the rights of the holders of the Common Shares of the Company as the Preferred Shares include a convertibility option which can be exercised only by the holder of the Offer Shares beginning on the 3rd but before the 5th anniversary from the listing date of the Offer Shares.

The conversion of the Preferred Shares into Common Shares of the Company will dilute the existing holders of Common Shares up to a maximum of eleven and eighty seventh of a percent (11.87%) as show in the table below. For purposes of illustration, the table assumes that all holders of the Offer Shares will convert by the 5th anniversary from the listing of the Offer Shares:

Particulars	Dilutive Effect Upon Conversion	
	Without Oversubscription	With Oversubscription
Total issued and outstanding Common Shares as of 30 June 2019	321,618,800	321,618,800
Total number of Preferred Shares to be issued	33,333,334	43,333,334
Additional Common Shares assuming all Preferred Shares are converted on the 3 rd anniversary from the listing of the Offer Shares)	33,333,334	43,333,334
Resulting total number of Common Shares after conversion	354,952,134	364,952,134
Resulting effective ownership of the existing holders of the Common Shares as of 30 June 2019 after conversion of the Offer Shares	90.61%	88.13%
Dilutive effect of the conversion on the holders of the Common Shares as 30 June 2019	-9.39%	-11.87%

The following table presents the dilutive effect of the conversion of all Preferred Shares into Common Shares before the 5th anniversary of the Preferred Shares' listing date to the Common Shares beneficially owned by the directors, key officers, and the public as of 30 June 2019:

Beneficial Owner	Citizenship	As of 30 June 2019		Upon Conversion of all Offer Shares (assuming full exercise of Oversubscription option) before the 5 th anniversary from listing	
		No. of Common Shares	% of total no. of O/S Common Shares	No. of O/S Common Shares	% of total no. of O/S Common Shares
Romolo V. Nati	Foreign	80,370,225	24.99%	80,370,225	22.02%
Jose D. Leviste III	Filipino	103,605,584	32.21%	103,605,584	28.39%
Christine P. Base	Filipino	291,698	0.09%	291,698	0.08%
Rafael A. Dominguez	Filipino	1,451	0.00%	1,451	0.00%
Shennan A. Sy	Filipino	476	0.00%	476	0.00%
Jose G. Araullo	Filipino	2	0.00%	2	0.00%
Januario Jesus Gregorio III B. Atencio	Filipino	14,512	0.00%	14,512	0.00%
Jose Fidel R. Acuna	Filipino	1,451	0.00%	1,451	0.00%
Harold J. Dacumos	Filipino	19,500	0.01%	19,500	0.01%
Mary Ann B. Lopez	Filipino	10,000	0.00%	10,000	0.00%
Total – Directors & Key Officers		184,314,899	57.31%	184,314,899	50.50%
Public	Filipino	134,385,586	42.69%	134,385,586	36.82%
Public	Foreign	2,918,315	0.91%	2,918,315	0.80%

Total - Public	137,303,901	42.69%	137,303,901	37.62%
Total (Prior to Conversion)	321,618,800	100.00%	321,618,800	88.13%
Total	321,618,800	100.00%	364,952,134	100.00%

PLAN OF DISTRIBUTION

The Company intends to issue the Offer Shares to institutional and high net worth individuals in the Philippines through a public offering to be conducted by the Underwriter and Bookrunner. In the event that there are Firm Shares that remain unsubscribed, the Issue Manager, Underwriter, and Bookrunner shall subscribe to the balance pursuant to the terms and conditions of the Underwriting Agreement to be executed between the Issue Manager, Underwriter, and Bookrunner and the Company.

The Issue Manager, Underwriter, and Bookrunner will receive issue management, underwriting and selling fees from the Company based on a percentage of the gross proceeds from the sale of the Offer Shares.

The Company has likewise authorized the Issue Manager, Underwriter, and Bookrunner to organize such syndicate of co-managers as it may deem necessary or convenient, under such terms and conditions not inconsistent with the Underwriting Agreement.

UNDERWRITING COMMITMENT

The Offer has been underwritten at the Offer Price and in connection therewith, an Underwriting Agreement will be entered into on or before the commencement of the Offer, by and among the Issue Manager, Underwriter, and Bookrunner and the Company, pursuant to which the Underwriter has firmly committed, to subscribe for, or procure subscribers for, or to purchase, or to procure purchasers for up to 33,333,334 Firm Shares to be offered. The Underwriting Agreement will be subject to certain conditions and is subject to termination by the Issue Manager, Underwriter, and Bookrunner if certain circumstances, including force majeure, occur on or before the time at which the Offer Shares, are listed on the PSE. In addition, this agreement is conditional, *inter alia*, on the Offer Shares being listed on the PSE on the Listing Date or such other date acceptable to the Issue Manager, Underwriter, and Bookrunner.

The terms and conditions of the Underwriting Agreement include an agreement by the Company, *inter alia*, to indemnify the Issue Manager, Underwriter, and Bookrunner with respect to any breach of warranty by the Company contained therein.

To ensure that all the Firm Shares will be fully subscribed, Unicapital, Inc. as the Underwriter of the Offer, has committed to distribute up to 33,333,334 Firm Shares, or all other unsubscribed Firm Shares not taken up by prospective investors. The Underwriter will underwrite the Offer on a firm basis and purchase any and all unsubscribed portion of the Firm Shares made available to the Selling Agents as of the last day of the Offer Period.

THE UNDERWRITER

Unicapital, Inc. (the “Underwriter”) was incorporated in the Philippines on 29 June 1994. It is duly licensed by the SEC to operate as an investment house and was licensed by the SEC to engage in underwriting or distribution of securities to the public in 1994. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues, both locally and internationally. Unicapital’s Board of Directors is chaired by Mr. Menardo R. Jimenez, Sr.

Unicapital, Inc., as the Underwriter, represents and warrants that it has exercised the level of due diligence required under existing regulations in ascertaining that all material information appearing in this Prospectus are true and correct as of the date indicated herein. Unicapital, Inc. also warrants and represents that, to the best of its knowledge, after exercising the appropriate due diligence review, there are no other material facts, the omission of which would make any statement in the Prospectus, as a whole, misleading. Except for failure to exercise the required due diligence review, Unicapital, Inc. assumes no liability for any information supplied in this Prospectus.

Unicapital, Inc. has no other direct or indirect interest in the Company or in any securities thereof, including options, warrants, or rights thereto. Unicapital, Inc. Furthermore, it does not have any relationship with the Company other than as Issue Manager, Underwriter, and Bookrunner. None of the

directors or officers of Unicapital, Inc. sit in the Board of Directors of the Company. On the other hand, none of the directors or officers of the Company is involved in the operations of Unicapital, Inc.

Unicapital, Inc. does not have any direct or indirect interest in the Philippine Savings Bank ("PSBank"), the Development Bank of the Philippines ("DBP"), Landbank of the Philippines ("LandBank"), United Coconut Planters Bank ("UCPB"), and Security Bank Corporation ("Security Bank"), which the Company has outstanding loans with as of June 30, 2019, or in any securities thereof, including options, warrants, or rights thereto.

UNDERWRITER'S COMPENSATION

The Underwriter shall receive from the Company an underwriting fee of 3.0% of the gross proceeds of the Offer for its services as Underwriter, inclusive of amounts to be paid to the PSE Trading Participants and the amounts to be paid to the selling agents, where applicable.

UNDERWRITING AGREEMENT

The Underwriting Agreement entered into between the Company and the Underwriter is subject to certain conditions and may be terminated if certain conditions are not fulfilled or events, including *force majeure*, occur before the Offer Shares are listed on the PSE. Such conditions include the following:

- i. In the reasonable opinion of the Underwriter, the Offer would be materially and adversely affected by the introduction of any new law or regulation or any change in existing laws or regulations; or any *force majeure*; or the occurrence of any adverse change in the Company's financial condition and prospects, general financial environment or stock market conditions that may have a material adverse effect on the marketability of the Offer Shares;
- ii. Any material representation or warranty made by the Company or any information given in relation to the Offer proves to have been false, incorrect or misleading as of the time it was made or deemed to have been made;
- iii. An order cancelling, suspending or terminating the Offer or any part thereof issued by any competent Philippine governmental authority;
- iv. The Company shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or the Company shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed and such appointment shall continue undischarged for a period of forty five (45) days; or the Company shall institute (by petition, application or otherwise howsoever), or consent to the institution of, any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted against it without its consent and shall remain pending for a period of ninety (90) days, or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material or substantial asset of the Company or any material part thereof and such judgment, writ or similar process shall not be released, vacated or fully bonded within ninety (90) days after its issue or levy; or any event occurs which under the law of the Philippines or any applicable political subdivision thereof has an effect equivalent to any of the foregoing;
- v. There is a change in any law, rule, regulation, administrative practice or interpretation within the Philippines that could, in the reasonable opinion of the Underwriter, materially affect any of the features, yield, or marketability of the Offer Shares, or materially and adversely affect the financial condition, operations, profitability, or business prospects of the Company or the ability of the Underwriter to perform lawfully their obligations hereunder, or any court or administrative order, ruling, or interpretation which may have a similar effect is issued or is threatened to be issued; and

- vi. A general moratorium on the payment of external indebtedness is declared in the Philippines.

Any questions relating to the follow-on offering may be addressed to the Underwriter or the Company.

SALE AND DISTRIBUTION

The distribution and sale of the Offer Shares shall be undertaken by the Issue Manager, Underwriter, and Bookrunner who shall sell and distribute the Offer Shares to institutional and high net worth individuals. The Issue Manager, Underwriter, and Bookrunner is authorized to organize a syndicate of underwriters, soliciting dealers and/or Selling Agents for the purpose of the Offer. In connection with the foregoing, the Issue Manager, Underwriter, and Bookrunner may enter into sub-underwriting agreements, participation agreements, or like agreements with other underwriters and/or Selling Agents, as necessary. There is nothing in such agreements that allow the Issue Manager, Underwriter, and Bookrunner to return to the Company any unsold Offer Shares.

Of the 33,333,334 Firm Shares subject of the Offer, 26,666,634 Firm Shares, or 80% of the total Firm Shares are being offered through the Issue Manager, Underwriter, and Bookrunner for sale and subscription to Qualified Institutional Buyers and to the general public. The Company will make available 6,656,400 Firm Shares, or approximately 20% of the Offer for distribution to the 129 PSE Trading Participants ("TP"). Each of the 129 TP shall initially be allocated up to 51,600 Firm Shares and subject to reallocation as may be determined by the Underwriter. The balance of 10,300 Firm Shares shall be allocated by the Underwriter among the Trading Participants that have demand in excess of 51,600 Firm Shares. Any requests for Firm Shares in excess of the 51,600 Firm Shares may be satisfied via the reallocation of any Offer Shares not taken up by other Trading Participants.

PSE Trading Participants who take up the Offer Shares shall be entitled to a selling commission of One percent (1%) of the Offer Shares taken up and purchased by the relevant PSE Trading Participant. The selling commission, less withholding taxes of Ten Percent (10%), will be paid to the Trading Participants within eight (8) banking days after the Listing Date.

The Company will not allocate any Offer Shares for Local Small Investors as such is only applicable to initial public offerings.

Prior to the close of the Offer Period, all Firm Shares not taken up by the PSE Trading Participants, Qualified Institutional Buyers and the general public shall be purchased by the Issue Manager, Underwriter, and Bookrunner under a firm commitment pursuant to an Underwriting Agreement.

MANNER OF DISTRIBUTION

The Underwriter and Bookrunner shall, at its discretion, determine the manner by which proposals for subscriptions to, and issuances of, the Firm Shares shall be solicited, with the primary sale of the Firm Shares to be effected only through the Underwriter and Bookrunner. The Underwriter and Bookrunner may appoint other entities, including Trading Participants, to sell on its behalf.

All of the issued and outstanding Shares, including treasury shares and the Offer Shares are lodged with the PDTC and shall be issued to the PSE Trading Participants in scripless form. They may maintain the Offer Shares in scripless form or opt to have the stock certificates issued to them by requesting an upliftment of the relevant Offer Shares from the PDTC's electronic system after the Listing Date.

DESCRIPTION OF SECURITIES TO BE REGISTERED

The following general information in relation to the Company's capital stock does not purport to be a complete listing of all the features, rights, obligations or privileges of the Offer Shares. The description is only a summary and is qualified by reference to the applicable provisions of Philippine law and the Company's Articles of Incorporation ("Articles") and By-Laws ("By-Laws"), both as amended, copies of which are available at the SEC. Some rights, obligations and/or privileges may be further restricted by other documents.

The Offer Shares shall be Preferred Shares of the Company.

As of the date of this Prospectus, the Company's authorized capital stock is Philippine Pesos Three Hundred Seventy-Seven Million Nine Hundred Ninety-Three Thousand and Six Hundred (₱377,993,600.00) divided into the following classes of shares:

- A.) Six Hundred Fifty-Five Million Nine Hundred Eighty-Seven Thousand and Two Hundred (655,987,200) Common Shares with a par value of fifty centavos (₱0.50); and
- B.) One Hundred Million (100,000,000) Preferred Shares with a par value of fifty centavos (₱0.50).

The shareholders approved that the amendment of the Articles of Incorporation provide for the following features of the Preferred Shares: Non-voting, Cumulative, non-Participating, and Redeemable. The Shareholders also approved to delegate to the Board the determination the terms and condition of the offering, including the determination of the mode of offering, pricing, convertibility, and denomination.

Subsequently, the Board approved to offer to the public the preferred shares with the following terms and features:

- i. *Non-voting*
- ii. *Cumulative*
- iii. *Non-Participating;*
- iv. *Redeemable;*
- v. *Convertible; and*
- vi. *Peso-Denominated*

The Company also approved the offer up to 33,333,334 Preferred Shares with an over-allotment of 10,000,000 preferred shares, from the unissued authorized capital stock of the Corporation at an offer price of up to Philippine Pesos: Fifteen Pesos (PhP15.00) per share, subject to other terms and conditions that may be mutually agreed upon by the Company and its underwriter. The determination of the Offer Price is further discussed in the section entitled "Determination of Offer Price" in this Prospectus. A total of up to 354,952,800 Common Shares and Preferred Shares will be outstanding after the Offer without the Oversubscription Option and 364,952,800 Common Shares and Preferred Shares with the Over subscription Option. The Offer Shares will comprise up to 9.4% of the resulting total issued and outstanding capital stock if the over subscription option is not exercised and 11.9% of the resulting total issued and outstanding capital stock if the over subscription option is fully exercised. The Preferred Shares are convertible subject to optional redemption. All of the Company's issued Common Shares are fully paid and non-assessable and free and clear from any and all liens, claims and encumbrances.

OBJECTIVE AND PURPOSE

The Company has been organized primarily to engage in the business of real estate, mass community and low-cost housing, townhouses and row houses development, residential subdivision, condominiums, buildings and other massive horizontal and vertical developments, hotels, shopping malls and leisure parks, resorts and property management, alone or in syndicate or joint ventures with others and for this purpose acquire land, and all kinds of real property, by purchase, lease, donation or otherwise, and to own, use, improve, manage, subdivide, hold, administer, sell, convey, exchange, lease, mortgage, dispose of, work, improve, develop and otherwise deal in real property of any kind and interest or right therein; to construct, improve, manage or otherwise dispose of buildings, houses, apartments, townhouses, and other structures of whatever kind, together with their appurtenances, whether for dwelling, commercial or industrial purposes; to conduct, maintain, engage in, and carry on

the business of acquiring, constructing, developing and operating hotels, lodges, resorts, and other tourist-oriented projects, either alone or in syndicate or joint ventures with others; to carry on any other lawful activity whatsoever, which shall not constitute the practice of any licensed profession, which may seem to the corporation capable of being carried or in connection with the foregoing, or calculated directly or indirectly to promote the interest of the corporation or to enhance the value of its properties, and to have, enjoy and exercise all the rights, powers, privileges, which are now or hereafter be offered upon similar corporations organized under the laws of the Republic of the Philippines.

Under Philippine law, a corporation may invest its funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized when approved by a majority of the board of directors of such corporation and ratified by the shareholders representing at least two-thirds of the outstanding capital shares, at a shareholders' meeting duly called for such purpose. However, where the investment by the corporation is reasonably necessary to accomplish its primary purpose, the approval of the shareholders shall not be necessary.

SHARE CAPITAL

A Philippine corporation may issue common or Preferred Shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for the articles of incorporation and by-laws of a corporation.

Under Philippine law, the shares of a corporation may either be with or without a par value. All of the Common Shares currently issued have a par value of ₱0.50 per share. In the case of par value shares, where a corporation issues shares at a price above par, whether for cash or otherwise, the amount by which the subscription price exceeds the par value is credited to an account designated as additional paid-in capital or paid-in surplus.

Subject to approval by the Philippine SEC, a corporation may increase or decrease its authorized capital shares, provided that the change is approved by a majority of the board of directors of such corporation and shareholders representing at least two-thirds of the issued and outstanding capital shares of the corporation voting at a shareholders' meeting duly called for the purpose.

A corporation is empowered to acquire its own shares for a legitimate corporate purpose, provided that the corporation has unrestricted retained earnings or surplus profits sufficient to pay for the shares to be acquired. Examples of instances in which the corporation is empowered to purchase its own shares are: when the elimination of fractional shares arising out of share dividends is necessary or desirable, the purchase of shares of dissenting shareholders exercising their appraisal rights (as discussed below) and the collection or compromise of an indebtedness arising out of an unpaid subscription. When a corporation repurchases its own shares, the shares become treasury shares, which may be resold at a price fixed by the board of directors of such corporation.

A. RIGHTS RELATING TO THE PREFERRED SHARES

Non-Voting Shares

The Offer Shares are non-voting, except in cases wherein the holders of non-voting shares are, under Section 6 of the Revised Corporation Code of the Philippines, nevertheless entitled to vote, on the following matters:

- a) Amendment of the articles of incorporation;
- b) Adoption and amendment of by-laws;
- c) Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the corporate property;
- d) Incurring, creating, or increasing bonded indebtedness;
- e) Increase or decrease of capital stock;
- f) Merger or consolidation of the corporation with another corporation or other corporations;
- g) Investment of corporate funds in another corporation or business in accordance with the Revised Corporation Code of the Philippines; and
- h) Dissolution of the corporation.

Dividends and Dividend Rate

The declaration and payment of cash dividends for each Dividend Period will be subject to the sole and absolute discretion of the Board of Directors of the Company, to the extent permitted by applicable laws and regulations, and the covenants (financial or otherwise) in the agreements to which the Company is a party. The Board of Directors will not declare and pay dividends for any Dividend Period where payment of the Dividend would cause the Company to breach any of its financial covenants.

As and if dividends are declared by the Board of Directors on the Offer Shares, the dividends shall be payable semi-annually to each holder of the Offer Shares at the fixed rate of [●]% per annum, calculated in respect of each Offer Share.

The final dividend rate for the Offer Shares was determined through a book building process. The range at which the Company and the Underwriter accepted tenders in respect of the Offer Shares was within the sum of (i) the simple average of five (5)-year PHP BVAL benchmark rates for three (3) consecutive business days ending on (and including) the Dividend Rate Setting Date plus (ii) a spread of [one hundred seventy-five (175) to two hundred seventy five (275)] basis points. If the five (5) year PHP BVAL benchmark rate is not available or cannot be determined, any such successor rate that is generally accepted by the market or a self-regulatory organization as shown on the PDEX (or such successor page) of Bloomberg (or such successor electronic service provider) will be used.

Cash dividends on the Offer Shares will be payable once every Dividend Period on such date set by the Board of Directors at the time of declaration of such dividends in accordance with the terms and conditions of the Offer Shares, which date shall be any day within the period commencing on (and including) the last day of a Dividend Period and fifteen (15) calendar days from the end of the relevant Dividend Period (each a "Dividend Payment Date").

A "Dividend Period" shall be the period commencing on the Issue Date and having a duration of six (6) months, and thereafter, each of the successive periods of six (6) months commencing on the last day of the immediately preceding Dividend Period up to but excluding the first day of the immediately succeeding Dividend Period; provided that, the first Dividend Period of the Offer Shares shall be the period commencing on the Issue Date and ending on the last day of the then current dividend period for the Offer Shares. If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment as to the amounts of dividends to be paid.

The dividends on the Preferred Shares will be calculated on a 30/360-day basis. If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment as to the amount of dividends to be paid.

Dividends on the Offer Shares will be cumulative. If for any reason the Board of Directors of the Company does not declare dividends on the Offer Shares for a dividend period, the Company will not pay dividends on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Offer Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Offer Shares prior to such Dividend Period. The holders of the Offer Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Offer Shares.

Optional Redemption

As and if approved by its Board of Directors, the Company and subject to the requirements of applicable laws and regulations, and the Company's financial covenants, the Company has the sole option, but not the obligation, to redeem all, in whole and not in part, five (5) years from the Issue Date or any Dividend Payment Date after the Initial Optional Redemption Date thereafter, after giving not less than thirty (30) days' written notice prior to the intended date of redemption, at a redemption price equal to the Offer Price of the Offer Shares, plus any accrued and unpaid cash dividends due them as well as all Arrears of Dividends outstanding, after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (the "Redemption Price"). Such notice to redeem shall be deemed irrevocable upon issuance thereof. The Redemption Price shall be paid to holders of the Offer Shares as of the relevant record date set by the Company for such redemption.

The Company may, at its sole option, subject to the requirements of applicable laws and regulations and the Company's financial covenants, also redeem all but not part of the Offer Shares at any time if an Accounting Event or a Tax Event has occurred, having given not less than thirty (30) days' written notice to the Stock Transfer Agent, the PSE and the SEC prior to the intended date of redemption. The redemption due to an Accounting Event or a Tax Event shall be made by the Company at the Redemption Price, which shall be paid on the date of redemption set out in the notice.

Convertibility

The Holders of the Preferred Shares may convert, in whole and in part, their outstanding Preferred Shares into the Company's Common Shares at a price of ₱15.00 per share or a conversion ratio of 1:1. The Holder may exercise this option at any time during the First Dividend Period of each year commencing on the third (3rd) anniversary from the issue date but before the fifth (5th) anniversary ("Conversion Period").

Only the registered Holder of the Preferred Shares can exercise the option to convert. Holders who exercised their option to convert shall remain the registered and legal owners of the Preferred Shares until the registered Common Shares are issued by the Company. The conversion will only be completed after the issuance by the Company of registered Common Shares, which shall be listed on the PSE and upon completion of the conversion, the Holder will cease to enjoy the benefits attached to the Preferred Shares previously owned, including the right to dividends as provided herein.

To exercise the convertibility feature attaching to any Preferred Share, the registered Holder thereof must duly complete, execute, and deposit at his own expense from 9:00 a.m. to 3:00 p.m. at least 10 Trading Days prior to Dividend Payment Date of the relevant Conversion Period at the specified office of the Stock Transfer Agent a notice of exchange (a "Conversion Notice") in the form (for the time being current) obtainable from the specified office of the Stock Transfer Agent, together with (a) the relevant stock certificate, if the Holder had requested for and been issued a stock certificate and (b) any other documents as may be required under the laws of the Philippines and regulations of the PSE.

A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Company consents in writing to such withdrawal.

The Stock Transfer Agent may reject an incomplete or incorrect Conversion Notice or any Conversion Notice that is not accompanied by any relevant Certificates in respect thereof.

A Holder delivering a stock certificate in respect of a Preferred Share for conversion must pay all taxes, if any, and other expenses arising on conversion of the Preferred Shares (including all charges of the Stock Transfer Agent). The Common Shares delivered upon exchange of the Preferred Shares will be fully paid and when listed will in all respects rank *pari passu* with the Common Shares outstanding.

B. RIGHTS RELATING TO THE COMMON SHARES

Voting Rights

Under the Articles, the owners or holders of Common Shares have full voting rights. However, the Philippine Corporation Code provides that voting rights cannot be exercised with respect to shares declared by the board of directors as delinquent, treasury shares, or if the shareholder has elected to exercise his right of appraisal as discussed below.

On October 20, 2017, the SEC approved the Company's reclassification of 100,000,000 unissued Common Shares to Preferred Shares. Except those which have been required by law to be approved by shareholders regardless of the voting rights given to the shares, such Preferred Shares do not have voting rights.

Fundamental Matters Requiring Stockholder Approval

The Corporation Code of the Philippines requires the following matters to be approved by the Board of Directors and shareholders representing at least two-thirds (2/3) of the issued and outstanding capital

stock of the Company in a meeting duly called for the purpose (except for the amendment of By-Laws and approval of management contracts in general, which require approval of shareholders representing a majority of the Company's outstanding capital stock):

- Amendment of the Articles of Incorporation;
- An increase or decrease of capital stock and incurring, creating or increasing bonded indebtedness;
- Delegation to the Board the power to amend or repeal or to adopt new By-Laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or a substantial part of the Company's assets;
- Merger or consolidation of the Company with another corporation or corporations;
- Investment of corporate funds in any other corporation or for a purpose other than the primary purpose for which the Company was organized;
- Dissolution;
- Declaration or issuance of stock dividends;
- Ratifying a contract between the Company and a Director or officer where the vote of such Director or officer was necessary for approval;
- Entering into a management contract where (a) a majority of Directors of the managing corporation constitutes the majority of the board of the managed company or (b) stockholders of both the managing and managed corporations represent the same interest and own or control more than one third of the outstanding capital stock entitled to vote;
- Removal of Directors;
- Ratification of an act of disloyalty by a Director; and
- Ratification of contracts with corporations in which a Director is also a member of the board, where the interest of the Directors is substantial in one corporation and nominal in the other.

Pre-emptive Rights

The Philippine Corporation Code confers pre-emptive rights on the existing shareholders of a Philippine corporation which entitle such shareholders to subscribe to all issues or other dispositions of shares of any class by the corporation in proportion to their respective shareholdings, regardless of whether the shares proposed to be issued or otherwise disposed of are identical to the shares held. A Philippine corporation may, however, provide for the denial of these pre-emptive rights in its articles of incorporation. Likewise, shareholders who are entitled to such pre-emptive rights may waive the same through a written instrument to that effect.

The subscribers shall have the pre-emptive or preferential right of subscription to any increase in the authorized capital stock of the Company or to any obligation convertible into stock newly issued or to be hereafter issued by the Company in accordance with their respective shareholdings at the date of such increase or at the date such obligation is incurred, as the case may be. Any decrease in authorized capital stock shall likewise be pro-rated among the subscribers.

The Amended Articles of Incorporation of the Company denies the pre-emptive rights of its stockholders to subscribe to any or all dispositions of any class of shares.

Derivative Suits

Philippine law recognizes the right of a shareholder to institute proceedings on behalf of the corporation in a derivative action in circumstances where the corporation itself is unable or unwilling to institute the necessary proceedings to redress wrongs committed against the corporation or to vindicate corporate rights as, for example, where the directors of the corporation themselves are the malefactors.

Appraisal Rights

The Philippine Corporation Code grants a shareholder a right of appraisal and demand payment of the fair value of his shares in certain circumstances where he has dissented and voted against a proposed corporate action, including:

- an amendment of the articles of incorporation which has the effect of adversely affecting the

rights attached to his shares or of authorizing preferences in any respect superior to those of outstanding shares of any class;

- the extension of the term of corporate existence;
- the sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the corporation;
- a merger or consolidation; and
- investment by the corporation of funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized.

In any of these circumstances, the dissenting shareholder may require the corporation to purchase its shares at a fair value, which, in default of agreement, is determined by three disinterested persons, one of whom shall be named by the shareholder, one by the corporation, and the third by the two thus chosen. Regional Trial Courts will, in the event of a dispute, determine any question about whether a dissenting shareholder is entitled to this right of appraisal. From the time the shareholder makes a demand for payment until the corporation purchases such shares, all rights accruing on the shares, including voting and dividend rights, shall be suspended, except the right of the shareholder to receive the fair value of such shares. No payment shall be made to any dissenting shareholder unless the corporation has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting shareholders.

Board of Directors

Unless otherwise provided by law or in the articles of incorporation, the corporate powers of the Company are exercised, its business is conducted, and its property is controlled by the Board. The Company has nine (9) Directors, of which two (2) are independent. The Board shall be elected during each regular meeting of shareholders, at which shareholders representing at least a majority of the issued and outstanding capital shares of the Company are present, either in person or by proxy.

Directors may act collectively; individual directors have no power as such. Five directors, which is a majority of the Directors, constitute a quorum for the transaction of corporate business. In general, every decision of a majority of the quorum duly assembled as a Board is valid as a corporate act.

Any vacancy created by the death, resignation or removal of a director prior to expiration of such director's term shall be filled by a vote of at least a majority of the remaining members of the Board, if still constituting a quorum. Otherwise, the vacancy must be filled by the shareholders at a meeting duly called for the purpose. Any director elected in this manner by the Board shall serve only for the unexpired term of the director whom such director replaces and until his successor is duly elected and qualified.

Shareholders' Meetings

Annual or Regular Shareholders' Meetings

The Philippine Corporation Code requires all Philippine corporations to hold an annual meeting of shareholders for corporate purposes including the election of directors. The by-laws of the Company provide for annual meetings every last Monday of March every year to be held at the principal office of the Corporation and at such hour as specified in the notice.

Special Shareholders' Meeting

Special meetings of shareholders, for any purpose or purposes, may at any time be called at any time by resolution of the Board of Directors or by order of the Chairman of the Board of Directors and must be called on receipt of a written request from at least two members of the Board of Directors or from the holders of at least 25% of the shares then issued and outstanding and entitled to vote.

Notice of Shareholders' Meeting

Whenever shareholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and time of the meeting, and the purpose or purposes for which the meeting is called. The Company by-laws provide that notices of the time and

place of the annual and special meetings of the shareholders shall be given to each shareholder not less than five days prior to the meeting. Shareholders who are not residents of the Philippines may be notified of the meeting by telecopier or facsimile communication or by telex. Only matters stated in the notice can be the subject of motions or deliberations at such meeting, unless the shareholders present and constituting a quorum unanimously decides otherwise. No failure or irregularity of notice of any meeting shall invalidate such meeting, or any of the proceedings had or business transacted thereat (if within the powers of the Corporation), at which all of the shareholders are present and voting without protest.

Quorum

Unless otherwise provided by an existing shareholders' agreement or by law, in all regular or special meeting of shareholders, a majority of the outstanding capital shares must be present or represented in order to constitute a quorum, except in those cases where the Philippine Corporation Code provides a greater percentage vis-à-vis the total outstanding capital shares. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of shares shall be presented.

Meetings of the shareholders shall be presided over by the Chairman of the Board. The Corporate Secretary, or, in his absence, any person appointed by the chairman of the meeting, shall act as secretary of such meeting.

Voting

At all meetings of shareholders, a holder of Common Shares may vote in person or by proxy, for each share held by such shareholder.

Fixing Record Date

Under existing Philippine SEC rules, cash dividends declared by corporations whose shares are listed on the PSE shall have a record date which shall not be less than 10 or more than 30 days from the date of declaration. With respect to share dividends, the record date shall not be less than 10 nor more than 30 days from the date of shareholder approval; provided, however, that the record date set shall not be less than 10 trading days from receipt by the PSE of the notice of declaration of share dividends. In the event that the share dividends are declared in connection with an increase in the authorized capital shares, the corresponding record date shall be fixed by the Philippine SEC.

Matters Pertaining to Proxies

Shareholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly given in writing and duly presented to the Corporate Secretary before or during the meeting. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Corporate Secretary. No proxy shall be voted on after six (6) months from its date, unless the proxy provides for and signifies a longer period.

Proxies should comply with the relevant provisions of the Philippine Corporation Code, the SRC, the Implementing Rules and Regulations of the SRC (as amended) and regulations issued by the Philippine SEC.

Dividends

The Common Shares have full dividend rights. Dividends on the Company's Common Shares, if any, are paid in accordance with Philippine law. Dividends are payable to all shareholders on the basis of outstanding Common Shares held by them, each common share being entitled to the same unit of dividend as any other common share. Dividends are payable to shareholders whose names are recorded in the stock and transfer book as of the record date fixed by the Company's Board of Directors. The PSE has an established mechanism for distribution of dividends to beneficial owners of Common Shares which are traded through the PSE which are lodged with the PCD Nominee as required for scripless trading.

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted

retained earnings that represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purposes and which are free for distribution to the shareholders as dividends. A corporation may pay dividends in cash, by the distribution of property or by the issuance of shares. Dividends may be declared by the board of directors except for share dividends which may only be declared and paid with the approval of shareholders representing at least two-thirds of the issued and outstanding capital shares of the corporation voting at a shareholders' meeting duly called for the purpose.

The Philippine Corporation Code generally requires a Philippine corporation with retained earnings in excess of 100 percent of its paid-in capital to declare and distribute as dividends the amount of such surplus. However, a Philippine corporation may retain all or any portion of such surplus in the following cases: (1) when justified by definite expansion plans approved by the board of directors of the corporation; (2) when the required consent of any financing institution or creditor to such distribution has not been secured; (3) when retention is necessary under special circumstances, such as when there is a need for special reserves for probable contingencies; or (4) when the non-distribution of dividends is consistent with the policy of requirement of a Government office. Philippine corporations whose securities are listed on any shares exchange are required to maintain and distribute an equitable balance of cash and share dividends, consistent with the needs of shareholders and the demands for growth or expansion of the business.

On January 30, 2015, the Company's Board approved the declaration of stock dividends of 0.64 for every one (1) share owned by all the holders of the Company's Common Shares.

On April 27, 2017 and May 31, 2017, the Company's Board approved, respectively, the declaration of 45.1225257063029% stock dividends, subject to the approval by the SEC of the increase in authorized capital stock of the Company.

The Company has not established a specific dividend policy. Dividends shall be declared and paid out of the Company's unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them. Unless otherwise required by law, the Board shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of the Company's cash earnings, return on equity and retained earnings;
- its results for and its financial condition at the end of the year in respect of which the dividend is to be paid and its expected financial performance;
- the projected levels of capital expenditures and other investment plans;
- restrictions on payments of dividends that may be imposed on it by any of its financing arrangements and current or prospective debt service requirements; and
- such other factors as the Board deems appropriate.

The Company can give no assurance that it will pay any dividends in the future.

Change in Control

Except for foreign ownership restrictions, there are no provisions in the Company's Articles and By-Laws which may delay, deter or prevent a change in control in the Company.

Accounting and Auditing Requirements

Philippine stock corporations are required to file copies of their annual financial statements with the SEC. Corporations whose shares are listed on the PSE are required to file quarterly financial statements (for the first three quarters) with the SEC and the PSE. Shareholders are entitled to request copies of the most recent financial statements of the corporation which includes a balance sheet as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain. The Board is required to present to the Company's shareholders at every annual meeting a financial report of the operations of the Company for the preceding year. This report is required to include audited financial statements.

RESTRICTION ON DISPOSAL AND ISSUANCE OF SHARE CAPITAL

Under the PSE Listing Rules, an applicant company that applies to list to the SME Board through a primary offering shall be subject to the lock-up requirement prescribed by the PSE.

In particular, Part E, Section 2 of the PSE Listing Rules for the Main and SME Boards of the PSE provide that an applicant company shall cause its existing shareholders to refrain from selling, assigning or in any manner disposing of their shares for a period of one year from listing of such shares.

In addition, if there is any issuance or transfer of shares (i.e. private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of shares (i.e. convertible bonds, warrants or similar instrument) done and fully paid for within six months prior to the start of the offering period, and the transaction price is lower than that of the offer price, all shares availed of shall be subject to a lock-up period of at least one year from listing of the aforesaid shares.

In compliance with the PSE Listing Rules, the foregoing lock-up requirements have been incorporated by express reference in Article Ninth of the Company's Articles.

All of the Company's existing shareholders are covered by the foregoing lock-up restrictions.

Limits on Foreign Ownership

The Company owns certain real estate and, as such, is subject to nationality restrictions found under the Philippine Constitution and other laws limiting land ownership to Philippine Nationals. The term "Philippine National" as defined under R.A. No. 7042, as amended, shall mean a citizen of the Philippines, a domestic partnership or association wholly-owned by citizens of the Philippines or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines under the Philippine Corporation Code of which 60% of the capital stock outstanding and entitled to vote is wholly-owned by Filipino or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.

As of the date of this Prospectus, no less than 60% of the total outstanding capital stock of the Company is held by Philippine Nationals. After completion of the Offer, foreign equity shall not exceed 40% of the Company's total outstanding capital stock.

RECENT ISSUANCE OF EXEMPT SECURITIES

The Company has not issued any exempt securities.

THE COMPANY

HISTORY AND DEVELOPMENT

The Company was incorporated and registered with the SEC on January 26, 2009 as Itaipinas Euroasian Design and Development Corporation which name was subsequently changed to Itaipinas Euroasian Design and Eco-Development Corporation. On July 15, 2015, the SEC approved the change of the Company's name to "Itaipinas 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. On October 20, 2017, the SEC approved the Company's reclassification of its common shares into preferred shares and the increase in its authorized capital stock. The Company's authorized capital stock is Three Hundred Seventy Seven Million Nine Hundred Ninety Three Thousand Six Hundred Philippine Pesos (₱377,993,600.00) divided into Six Hundred Fifty Five Million Nine Hundred Eighty Seven Thousand Two Hundred (655,987,200) Common Shares with a par value of Fifty Centavos (₱0.50) and One Hundred Million (100,000,000) Preferred Shares with a par value of Fifty Centavos (₱0.50), of which Three Hundred Twenty One Million Six Hundred Eighteen Thousand Eight Hundred (321,618,800) Common Shares are issued and outstanding.

The Company's debut project, the Primavera Residences Towers A&B 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 towers, the first tower of which was completed in August 2012. The second tower which started construction in April 2013 was subsequently completed in 4Q 2015. Primavera Residences Tower A was marketed in conjunction with Pueblo de Oro Development Corp. PODC worked as the Company's marketing arm for the first three (3) years of operation. IDC then build up its own sales and marketing force and established tie-ups with several realty firms and external brokers/sales agents.

In December 2012, the Company signed a Contract to Sell with PODC 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 (lots 7 and 6, Block 1) consisting of 937 sq.m. each, which was then fully paid and lots title transferred to IDC became the site of the initial phase of the Primavera City Project Towers A&B. In addition to these 2 lots, IDC also executed a Contract to Sell with PODC to secure the adjacent lots 1 to 5 with approximately 4,684 sq.m. in total allowing the Company to execute a broader and more substantial design footprint for this desirable location as the sites for its Primavera City Phase 2, 3 and 4 mixed-use condominium projects. Primavera City Phase 1 was launched in September, 2017 and expected to be completed by 1Q 2020.

The Company also acquired a property in Sto. Tomas, Batangas as the site for IDC's mixed-use condominium development project, the Miramonti Green Residences Phase 1. This third flagship project of IDC is slated to be completed before the end of 2020. 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. Additionally, a Memorandum of Agreement was signed with RFM Science Park of the Philippines, Inc. to guarantee right of first refusal to the Company over an adjacent lot at the Sto. Tomas site, allowing the Company to plan for Miramonti Phase 2 in line with its expansion plans in keeping with strong demand forecasts.

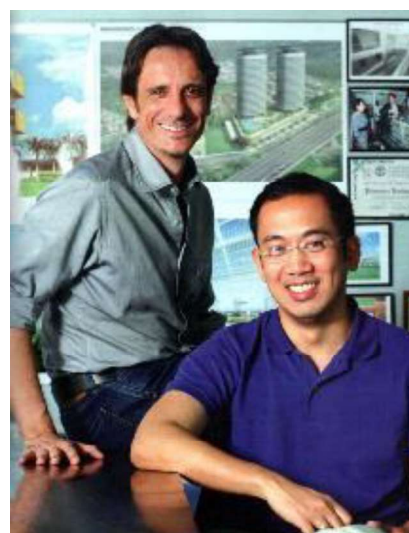
In addition to the immediate pipeline of projects, the Company continues to pursue wide-ranging analysis and field observations in order to identify additional locales in the Philippines that are consistent with its existing portfolio of hyper-prospective growth nodules in under-valued secondary and tertiary cities. The company is focused on expanding its presence in the areas wherein it already has existing projects such as Cagayan de Oro and Batangas, and have identified potential areas for future

developments in Southern Luzon & Visayas. Below are the details of land acquisitions of IDC. The Company is still in the process of conducting due diligence and validation of other areas of interests.

Land Acquisitions		Area	Timetable of Acquisition
Primavera City, Cagayan de Oro City	Lot 7	937 sq.m.	Acquired/ fully paid January 28, 2013
	Lot 6	937 sq.m.	Acquired/fully paid January 28, 2013
	Lots 1-3	2,810 sq.m.	With Contract to Sell
	Lots 4-5	1,874 sq.m.	With Deed of Absolute Sale
Sto. Tomas, Batangas (RFM Science Park/LISP III)	Phase 1	1,796 sq.m.	Acquired/Fully paid February 25, 2014
	Phase 2	5,347 sq.m.	Reserved right of first refusal (Estimated at PhP10,000/sq.m.)

The Minds behind IDC

In 2009, Arch. Romolo V. Nati, a talented professional Italian Architect with international experience in design, real estate and property development in countries such as Italy, Estonia, Romania and other European countries came to the Philippines and met Atty. Jose D. Leviste III, an accomplished Filipino lawyer whose education and work experience were nurtured in the Philippines, United States and Australia. After learning that they both share the same vision and passion in promoting sustainable developments in the Philippines, these two successful professionals teamed up and, with the support of Dr. Jose P. Leviste, Jr., a seasoned Filipino renewable energy entrepreneur, corporate social responsibility advocate and sustainable mining investor, established ITALPINAS Euroasian Design and Eco-Development Corporation, subsequently renamed as Italpinas Development Corporation.



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.

Corporate Vision-Mission

Vision: We strongly believe that human technique is inseparable from nature and nature is our inspiration. Therefore, we aim to design and build an environment where human development is in a balance with its environment.

Mission: We provide unique, innovative, sustainable and safe real estate products that satisfy and exceed the expectation of our customers, business partners and stockholders because "*not all buildings are created equal.*"

Unique Value Proposition

IDC has the following value propositions that the Company believe puts it ahead of its competitors:

- **LOCATION** We develop in up and coming cities, in safe and growing areas
- **DESIGN** We deliver innovative, elegant and green Italian Design
- **BUILDING** We build high quality, smart, safe and affordable buildings
- **GREEN** We reduce environmental impact (lower energy and water consumption)

Awards, Recognition and, Track Record

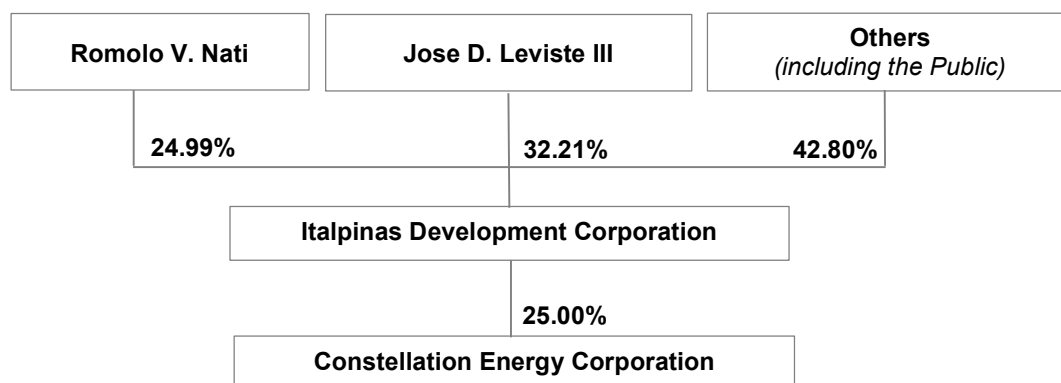
Although IDC is a young company, its projects have been recognized and awarded by prestigious international organizations:



1. Winner of Best Mixed Used Development in the Asia Pacific in 2017 by the International Property Awards held in Bangkok, Thailand, for Primavera City
2. Recognition by the Green Building Philippines, International Finance Corporation, Philippine Green Building Initiative with the support of the Swiss Confederation for promoting the greening of the building sector, September 15, 2016
3. Winner of Leadership in Green Building in the 2016 Philippine Green Building Council Awards, July 2016, for Primavera Residences
4. First Completed Condominium Project in East Asia in 2015 by Edge (Excellence in Design for Greater Efficiencies), for Primavera Residences
5. Winner of Best Mixed Use Development in the Philippines in the 2014-2015 International Property Awards, for Primavera Residences
6. Highly Commended as Best Condominium Development in the Philippines in the 2011 Southeast Asia Property Awards (SEAPA), for Primavera Residences
7. Finalist in the Most Promising Clean Energy Investment Opportunities in the 2010 CTI-PFAN Asia Forum for Clean Energy Financing (Philippines), for Primavera Residences
8. Finalist in the Most Promising Clean Energy Investment Opportunities in the 2013 CTI-PFAN Asia Forum for Clean Energy Financing (Singapore), for Primavera City
9. Winner of the Special Energy Award in the 2011 International Architectural Competition (Design Against the Elements, "DATE"), Coral City
10. Highly Interesting Real Estate Project in the 2012 Xavier (Ateneo) University Cagayan de Oro City, for Primavera Residences and IDC
11. Highly Appreciated for Environmental Protection for Sustainable Development in 2011 by the National University of Manila, for Primavera Residences

Arch. Romolo Nati and Atty. Jose Leviste were also cited as among the New Philippine Business Leaders by National Geographic Magazine in February 2014.

CORPORATE STRUCTURE



As of the date of this prospectus, the Company's substantial shareholders are Architect Romolo Valentino Nati with 24.99%, and by Attorney Jose D. Leviste III with 32.21%. The remaining are owned by the public, with some officers and directors owning a non-substantial number of shares.

Constellation Energy Corporation

At present, multiple factors 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.

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 sources of power and assure a stable supply of electricity to Filipino homes and industries.

Constellation Energy Philippines ("CEC") is a renewable energy development firm with development projects in hydroelectric, geothermal, and wind technologies. Together with its partners and investors, Constellation envisages the development of each of its projects 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.

Constellation's portfolio of projects currently includes five projects (Figure 1), some of which are held 100% by Constellation and some under development with key partners.

Figure 1

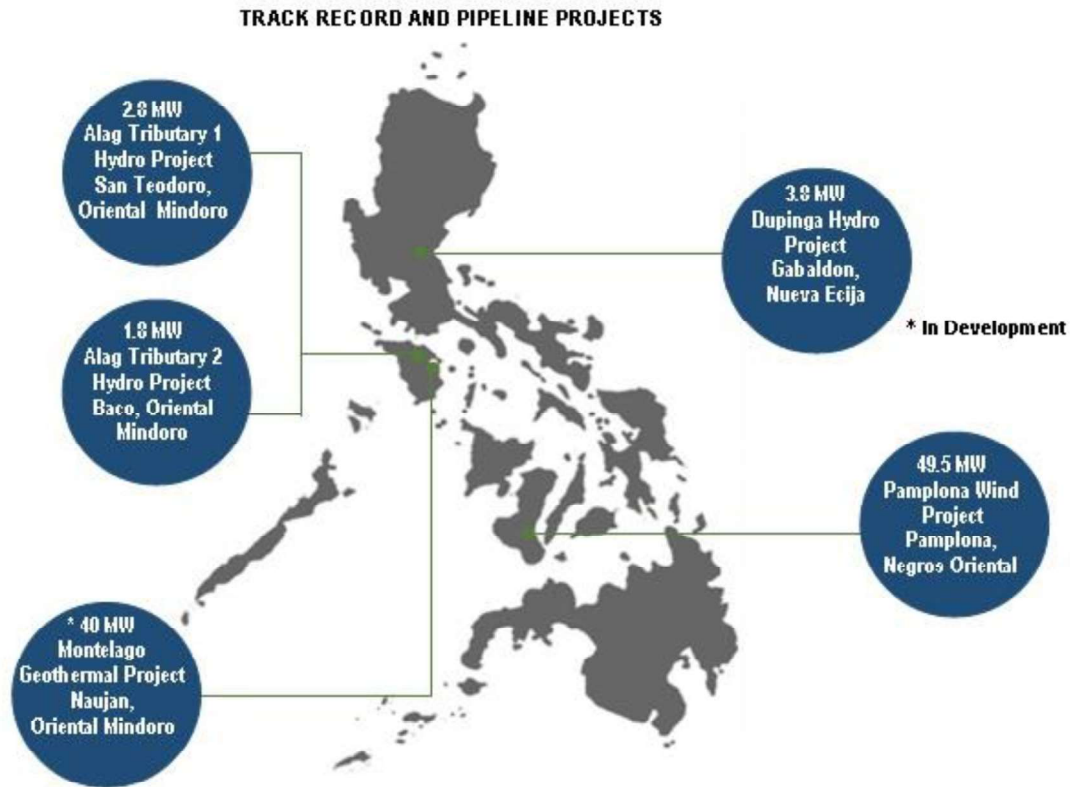


Image taken from <https://www.iccp.ph/constellation-energy-eyes-renewable-energy-investments/>

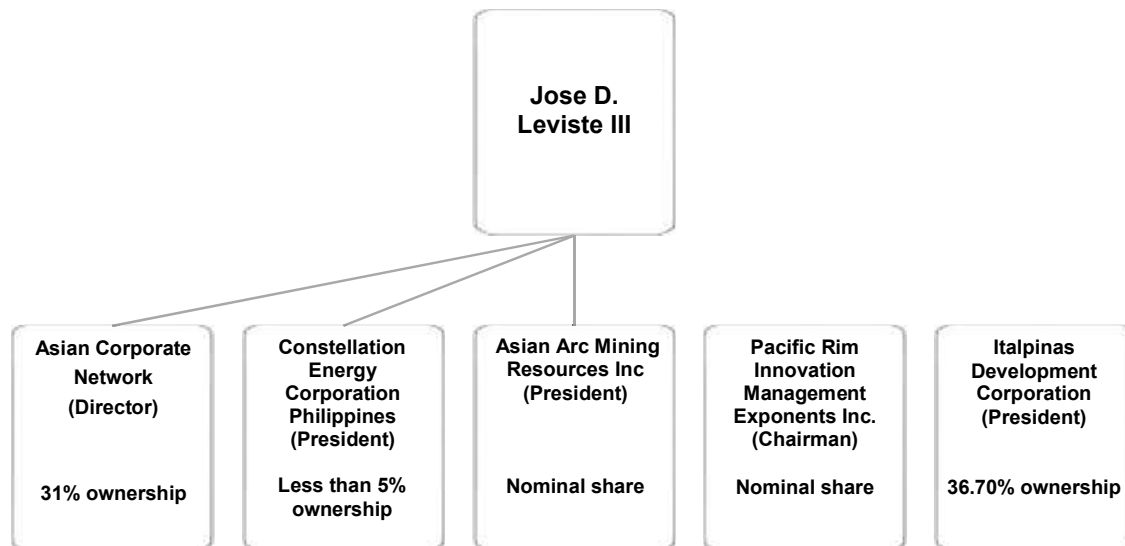
CEC was incorporated on June 24, 2008. As of June 30, 2019, CEC has paid-up capital totaling PHP20 million. It is 50% owned by Jose P. Leviste Jr. & spouse, 25% owned by Lili Investment Services Inc., and 25% owned by IDC.

CEC's board of directors consists of: Jose P. Leviste Jr. (Chairman), Romolo V. Nati (Vice Chairman), Jose D. Leviste III (President), Shennan A. Sy (Treasurer and Corporate Secretary), and Tony Hsun. CEC has officers in common with IDC, namely Jose D. Leviste III (concurrently President/Director of both CEC and IDC), and Romolo V. Nati (concurrently Vice Chairman/Director of CEC & Chairman/CEO/Director of IDC).

CEC has not established a specific dividend policy. Dividends may be issued to all shareholders on the basis of outstanding stock held by them. The amount, type and date of payment of the dividends to the shareholders would be determined by the Board of Directors of CEC.

Other Holdings

Attorney Jose D. Leviste III owns equity stake in a number of private companies aside from IDC. Architect Romolo Valentino Nati has no holdings in other companies.



COMPETITIVE STRENGTHS

Unmet demand for housing and stable organic increase in population make it likely that real estate in the Philippines will continue to grow at a steady rate. This is further supported by strong macro-economic growth, rising foreign investment, and increasing spending power among OFW families. While new housing developments have concentrated in the main cities, secondary and tertiary cities have been underserved, and represent an opportunity in the inevitable shortage in housing supply.

The Company is especially well poised to capitalize on this opportunity given the following competitive strengths:

Future-Fluent Intuition in Choosing Locations

The Company engages in rigorous and intensive market research, not just of the prospective projects, but of the host city as a wider demographic entity. This works in tandem with Architect Nati's extensive experience in real estate investment, and Atty. Leviste's academic background in sociology, which together manifest as a unique intuition in what areas or communities will be the next sites of rapid and inevitable growth. Target communities are chosen based on their position as up-and-coming, next wave communities. Cities are prioritized for having sharp growth prospects including steady organic growth, and dynamic economic and demographic prospects. Primavera Residences, for example, was the first condominium development of its kind in Cagayan de Oro at the time that its construction commenced, which demonstrates the foresight employed at the time to anticipate what is now proven to be a major growth center for property development.

Strong Culture of Research and Innovation

All of IDC's real estate developments are the product of in-house architectural design and innovation. The research and development heritage of the Company, through the extensive career of Architect Romolo Nati, extends to the portfolios of his European firm, ITA Projects (based in Italy and Estonia). In this predecessor firm, Architect Nati developed methods and characteristic aesthetics that the Company now deploys in the Philippines, such as the use of parametric architecture.

These design processes are possible only with the use of a particular software running in graphic stations with high-powered computers. This software, which can be operated by an architect, is able to integrate various parameters such as weather conditions, financial requirements, functional needs, etc.

with the goal of finding the best possible combination of all these elements in various degrees. The final design result represents the best possible solution (based on the given data). This process can also be called performance-based design, because the final design is the one that is expected to perform best out of the infinite number of possible combinations and permutations. In practice, since building sustainability and performance is achieved through design (as explained above rather than through the deployment of expensive high-tech features), the final product is affordable to buy and maintain. This is an important objective of IDC's innovation and research: the democratization of quality and sustainability in the real estate market.

In the Philippine context, where a substantial share of power consumption is for air conditioning and cooling, one main goal of IDC's sustainable designs is to reduce the indoor temperature in its developments. Increasing natural ventilation and reducing the direct sun projections on the windows (without compromising natural light) is the main task in reducing power consumption. The conservation of water and the reduction of the overall environmental impact during construction and for the entire life of the project are also important targets that the Company achieves through these approaches.

Commitment to Sustainable Development

The Company's aesthetic and design philosophy operate in tandem with a commitment to environmental conservation. The result of the Company's design innovations is not only to lighten the impact of development upon the environment, and also to lessen the dependence of end users on energy and water. This delivers savings to the end user, and is a key value proposition of the Company's developments.

Complementary Blend of Expertise

Architect Romolo V. Nati draws from his Italian design heritage and 15 years of professional experience to bring the latest and most advanced creative and performance based architecture. He also has extensive experience in real estate development as well as architectural design. He has designed several buildings in his native Italy, as well as award winning public buildings in Estonia. He was also the recipient of design awards from BMW and Mitsubishi. His partner Attorney Jose D. Leviste offers forward-looking Filipino perspective. His legal background included commercial litigation while in private practice in Sydney, Australia. His project development experience includes his role as President and Chief Executive Officer of Constellation Energy Corporation, which is developing four (4) renewable energy generation assets utilizing wind, hydro, and geothermal technologies. The result is a combination of both novel and innate cultural influences, as well as complementary professional backgrounds.

BUSINESS STRATEGIES

To Bring the Power of Creativity and Architectural Design to the Market

Central to the Company's strategies is the consistent emphasis on its own creative designs to deliver an unprecedented level of innovation performance, and cutting-edge aesthetic through its buildings. Currently, such attributes are seen as reserved for elite projects in the main cities of the Philippines. Through "Performance-Based" Design Strategy, the Company will deliver these qualities in its performance-based developments and make them available in highly prospective, yet thus far, underserved market segments

Performance-Based Design Strategy, when deployed together with the multi-awarded architectural skill of Arch. Romolo Nati and IDC's design team, results in direct benefits to the project's end-users such as quality of experience and day-to-day savings, among others.

In the Philippines, for example, a major goal is to decrease excess reliance on power and water, and to maintain cool interior temperatures. As such, IDC buildings are designed to perform in these respects, by optimizing shading, encouraging airflow, among other things, in order to reduce the end-users' costs spent on energy for air-conditioning and other forms of consumption.

Further, Performance Based Design is also used to mitigate construction costs. By reversing the market's expectations and assumptions by bringing superior design at the appropriate price, the

Company was able to penetrate this underserved market and turn out successful developments in previously untapped areas.

To Choose Locations in their Early Growth Phases and Ride New Property Booms Within the Philippines

A key philosophy of the Company's growth plans is to carefully choose project locations in order to gain exposure to the highly prospective growth rates of secondary or tertiary cities. These hyper-prospective nodes of growth are chosen for being strategically significant or particularly vibrant or promising demographically. It is not the Company's strategy to locate projects in already well-developed communities. Rather than compete with existing developers in already well-served areas, the Company seeks target cities with significant growth prospects and demographically suitable areas. Within the target communities, the Company also chooses locations that are safer and more secure from natural calamities and geo-hazards (such as less flood-prone areas) and designs structures with emphasis on safety from major calamities.

To Increase Leasable Floor Space in Order to Bring Steady Revenue to the Company

The Company has thus far had a favorable experience with operating rental properties in its first project, Primavera Residences, as a developer-landlord. It intends to build on this initial success by continuing to develop, and retain more commercial and residential leasable units in subsequent developments. By doing so, the Company expects to generate an ancillary source of income in the leasing and management of these properties.

COMPLETED AND ONGOING PROJECTS

Primavera Residences

(Completed)



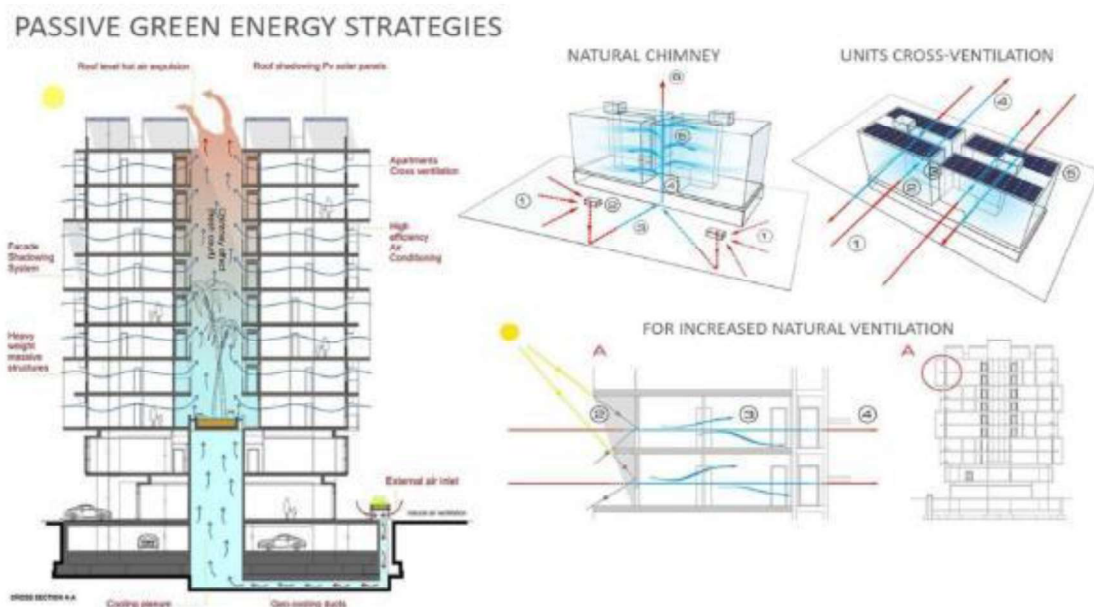
IDC's debut project, Primavera Residences, commenced construction in June 2010. The complex consists of twin mid-rise mixed-use green buildings, the first of which was completed in August 2012 and the second in December 2015.

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 in this location as the "first-mover" in introducing condominium living in Cagayan de Oro City.

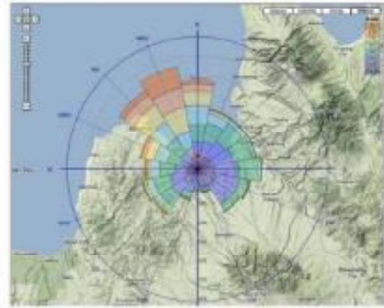
Primavera Residences has already been recognized for the buildings' unique design architecture, environmentally friendly features, and the quality of its development. In May 2014, it won the Best Mixed-Use Development in the Philippines Award given by the International Property Awards in Kuala Lumpur. 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.



PASSIVE GREEN ENERGY STRATEGIES



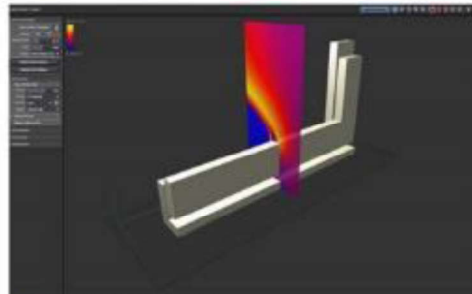
WIND DATA

Windrose indicating wind strengths and frequency in Cagayan de Oro

TEMPERATURE DATA

Annual temperature distribution chart in Cagayan de Oro

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Peak high °C	31	32	33	34	35	36	37	38	36	35	34	33
Average high °C	30	31	31	32	33	34	35	34	33	32	31	30
Average low °C	23	23	24	25	26	27	28	28	27	26	25	24
Peak low °C	18	18	19	20	21	22	23	24	23	22	21	20

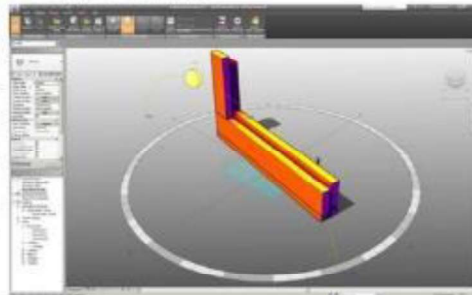


VENTILATION ANALYSIS

Air flow simulations caused by local breeze in the internal court of the building

SHAPE PERFORMANCES

Simulations of the sun's movement around the building for the best layout for solar panels



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.

Below are the details of total cost of the Primavera Residences Towers A & B.

Estimated Total Project Cost of Primavera Residences Tower A & B in PhP	
Tower A	
Land (Lot area- 1125 sqm)	13,295,563
Construction	209,934,760
Tower B	
Land (Lot area-1126 sqm)	13,307,382
Construction	241,580,191
Pre-operating (Plans, surveys, permits, licenses etc.)	71,717,684
Total	549,835,580

The two buildings have an aggregate of two hundred ninety-eight (298) residential units, nineteen (19) commercial units, eleven (11) office units, and fifty-two (52) parking slots.

By the end of 2014, all 142 residential units made available for sale in Tower A were sold out. Tower A was completed and turned over last 09 December 2012. Tower B was completed in 2015. As of June 30, 2019, only 3 residential units out of 156 units remained unsold for Tower B.

As of June 30, 2019, the occupancy rate of Primavera Residences is 95%. The 2 other projects - Primavera City phase 1 and Miramonti Phase 1 are on-going construction. Primavera Residences is being maintained and managed by the Primavera Residences Condo Corp (PRCC). PRCC is a duly registered non-profit company registered with SEC.

Primavera City

(4-phase development spanning the years 2016-2024; Phase 1 on-going, Completion date: 1Q 2020)

The area's only real estate project 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, Primavera City bested over 100 other clean energy projects across Asia in real estate competitions, namely those discussed herein.



Photo: Primavera City Architectural Rendering

Primavera City was 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.

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 construction of Phase 1 commenced in 4Q 2016 and is expected to be completed by 1Q 2020. As of June 30, 2019, Phase 1 is 90% completed.

This eleven-storey mixed-use development is designed to have one (1) floor of ground 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 1Q 2020 and is targeted for completion by 4Q 2021. The third and fourth phase, high-rise mixed condominiums Primavera City Towers E & F, are slated for development in 1Q 2022 and 2Q 2024, respectively, or sooner depending on the sales take up of the projects. Targeted completion date for Phase 3 and 4 is by 1Q 2024 and 3Q 2027, respectively.

At present, the first two (2) lots of Primavera City Phase 1, comprised of a total area of 1,874 sq.m have been fully paid with the corresponding titles registered under the Company's name. In order to secure the entire development of the Primavera City complex, PODC and IDC have executed Contracts to Sell to acquire the five (5) adjoining lots that consist of a total area of 4,684 sq.m for the planned Phases 2, 3, and 4 of the project.

Miramonti Green Residences

(2-phase development; Phase 1 on-going, Completion date: 4th quarter, 2020)

The land for the two-phase Miramonti project is a 7,404 square meter prime property located at Millenium Drive, Light Industry Science Park III, San Rafael, Municipality of Sto. Tomas, Province of Batangas, Philippines. The land identified as Lot 1-A-3 allocated for Miramonti – Phase 1 comprising of 2,057 square meters has been purchased by IDC. The title bearing TCT No. 056-2017001498 has been transferred in favor of the company by Register of Deeds, Tanauan on March 23, 2017.



Photo: Miramonti Green Residences Architectural Rendering

Miramonti Phase 1 commenced construction on December, 2018 and is slated to be completed in 2020. The mixed-use building is comprised of 21 floors, with the ground floor allotted for commercial spaces, mezzanine floor for convention halls and office spaces, the second and third floors for parking, the fourth floor is devoted for the amenities such as swimming floor, gym, jogging path and garden and a multi-purpose room. The residential units start at the 5th floor up to the 21st floor. The roof top will have the terrace and the solar panel.

The second commercial/residential lot with an area of 5,347 square meters identified as Lot 1 of Block 3A will be the site of the prospective Miramonti Phase 2. The company holds a right of first refusal to purchase this lot with the owner, RFM. which is intended for Miramonti Phase 2.

Based on in depth assessments of the Company, the best use for this property is deemed to be a mixed-use development. This involves the construction and development of state-of-the-art “eco-logic” mixed-use apartments with more than 19,276 sq.m. of gross buildable area. The master plan development is envisioned as a “green” community of three (3) mixed-use buildings consisting of 23 floors each with commercial, office, retail and residential components.

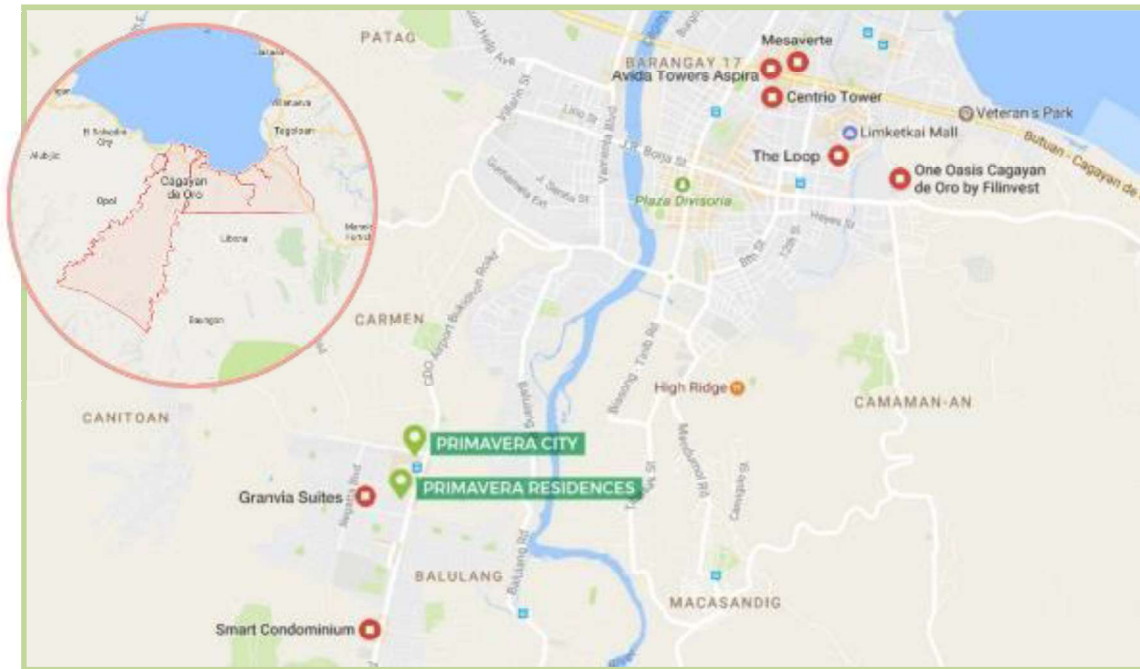
FUTURE PROSPECTS

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 additional target acquisitions located in have identified potential areas for its future developments in Southern Luzon & Visayas.

COMPETITION

The Philippine Real Estate Industry is dominated by several major players such as Ayala Land, Inc. (ALI), SM Prime Holdings, Inc., Megaworld Corporation, Vista Land & Lifescapes, Inc. (VLL), Century Properties Group, Inc., and Filinvest Land, Inc. (FLI) to mention a few.

In the local scenario, condominiums were not that popular in Northern Mindanao until IDC initiated the construction of Primavera Residences in 2010, setting the trend for increased condominium construction in Cagayan De Oro.



Since IDC launched its Primavera Residences in 2010, several developers started to enter the vertical housing market in Cagayan de Oro ("CDO"). To date, there are three (3) notable projects under construction of Ayala Land, Inc., one (1) project of Vista Land & Lifescapes, Inc., and another one (1) by Filinvest Land, Inc. However, all these projects are located in downtown Cagayan De Oro; about 10-15 kms. from where Primavera Residences is located.

West Uptown Cagayan de Oro is an urban expansion area identified and defined by the updated comprehensive development plan 2017-2019 for Cagayan de Oro City as consisting of Barangays Carmen, Canitoan, Lumbia and Pagatpat. It is the location of IDC's Primavera projects, and is characterized by higher elevation, and therefore flood-proof terrain. It also offers cleaner, cooler, less polluted, and more spacious environments with less congestion in contrast to downtown Cagayan de Oro. The area is envisioned to be a medium to high-density, mixed-use pedestrian friendly center with high end, low-density type of development for residential and commercial uses. This area will decongest the present major urban center/city core and shall provide more opportunities for socio-economic activities. The Lumbia Airport is recommended to be converted into an industrial area or economic zone and become a major employment provider.³ Uptown is also considered by many to be a safer and more secure alternative and has been host to promising development in recent years.

Among the West Uptown Development Area proposed developments⁴ are:

- Development Master and Urban Design Plan
- Road Network Development
- Establishment of green belts, parks, open spaces, tree parks
- Tree strips along major thoroughfares, main roads of subdivisions
- Main drain from old airport to Calaan Creek
- Wastewater treatment for STPs
- Retention basins
- Rain-harvesting for commercial and residential buildings

³ Updated Comprehensive Development Plan 2017 – 2019. CAGAYAN DE ORO CITY.

⁴ Comprehensive Land Use Plan 2019-2027. CAGAYAN DE ORO CITY.

- Retirement community
- Provision of multi-purpose and socio-economic centers (reading centers, parks, etc.)

In addition, the West-Uptown Development Area is also the location for the Planned City Expansion Program (PCEP) which is placed to be a growth node to decongest the urban center of Cagayan de Oro. Included in the PCEP is the 820-hectare area in Barangay Lumbia which is part of the West Uptown Urban Expansion Area⁵. Lumbia Airport, owned by the national government through the Civil Aviation Authority of the Philippines (CAAP), is also the selected relocation site for the PAF's 15th Strike Wing⁶.

Other development in the area also includes enhancement on the Iligan-Cagayan-Butuan Road (ICBR), which is the only national highway that cuts across the city from east to west (and vice versa), linking with the CdO-Lumbia-Bukidnon highway which currently services a rapidly growing West-Uptown Development Area. Currently, the City government of Cagayan de Oro sees the need to design and build major access highways to complement the ICBR⁷.

Existing and on-going condominium projects in Cagayan De Oro are as follows:

Project	Developer	Location	Status
Primavera Residences Tower A	IDC	Uptown CDO	Ready for Occupancy 2013
Primavera Residences Tower B	IDC	Uptown CDO	Construction Stage
Granvia Suites	Johndorf Ventures Corporation (Johndorf)	Uptown CDO	Ready for Occupancy 2013
Smart Condominium	Yega Development Corporation	Uptown CDO	Construction Stage
One Oasis	FLI	Downtown CDO	Construction Stage
The Loop	VLI	Downtown CDO	Construction Stage
Centrio Towers	ALI	Downtown CDO	Construction Stage
Avida Tower	ALI	Downtown CDO	Construction Stage
Aspira Tower	ALI	Downtown CDO	Planning Stage
FICCO Condominium	First Community Cooperative (FICCO)	Downtown CDO	Planning Stage
Global CDO Residences	Pamatong Construction	Downtown CDO	Construction Stage

The table below further provides the relevant details as regards to the available units and number of floors of these condominium buildings and market positioning. Ayala Land is positioned for the high to luxury end market, while the middle and upper income market segments are the target markets of Vista Land and Filinvest Land. IDC's Primavera Residences project is positioned to capture the middle to upper income segment.

Project	Developer	No. of Bldgs.	No. of Flrs.	No. of Units
Primavera Residences Tower A	IDC	1	10	161
Primavera Residences Tower B	IDC	1	10	219
Granvia Suites	Johndorf	1	7	82
Smart Condominium	Yega Development Corporation	1	6	No Data
One Oasis	FLI	6	7	130
The Loop	VLI	1	25	500
Centrio Towers	ALI	1	23	522
Avida Tower	ALI	1	31	No Data
Aspira Tower	ALI	1	27	636
FICCO Condominium	FICCO	1	No Data	No Data

⁵ Updated Comprehensive Development Plan 2017 – 2019. CDO

⁶ <https://www.sunstar.com.ph/article/123969>

⁷ Ibid

Project	Developer	No. of Bldgs.	No. of Flrs.	No. of Units
Global CDO Residences	Pamatong Construction	1	10	No Data

Project	Developer	Market Positioning
Primavera Residences Tower A	IDC	Middle to High Income Bracket
Primavera Residences Tower B	IDC	Middle to High Income Bracket
Granvia Suites	Johndorf	Middle Income Bracket
Smart Condominium	Yega Development Corporation	Middle to High Income Bracket
One Oasis	FLI	Middle to High Income Bracket
The Loop	VLI	Middle to High Income Bracket
Centrio Towers	ALI	Middle to High Income Bracket
Avida Tower	ALI	Middle to High Income Bracket
Aspira Tower	ALI	Middle to High Income Bracket
FICCO Condominium	FICCO	For COOP Members
Global CDO Residences	Pamatong Construction	Unknown

In terms of the sizes of the condominium units, the smallest area is 21 sqm. (the Loop) with the biggest cut at 60 sqm. for 2-bedroom unit offered by Ayala Land and Vista Land. IDC will maintain more studio and one-bedroom units to respond to the market needs.

Project	Developer	Average Area (sq.m.)				
		Studio	1BR	2BR	Office	Commercial
Primavera Residences Tower A	IDC	22.00	31.00	47.00	84.00	32.00
Primavera Residences Tower B	IDC	22.00	31.00	47.00	52.00	56.00
Granvia Suites	Johndorf	23.25	35.90	46.50	No Data	No Data
Smart Condominium	Yega Development Corporation	25.20	34.20	63.60	No Data	No Data
One Oasis	FLI		28.27	42.82	No Data	No Data
The Loop	VLI	20.00	31.91	50.93	No Data	No Data
Centrio Towers	ALI	23.00	37.00	58.00	No Data	No Data
Avida Tower	ALI	23.00	40.00	63.00	No Data	No Data
Aspira Tower	ALI	23.00	40.00	63.00	No Data	No Data
FICCO Condominium	FICCO	No Data	No Data	No Data	No Data	No Data
Global CDO Residences	Pamatong Construction	No Data	No Data	No Data	No Data	No Data

In terms of pricing, Primavera Residences Tower A and B is very competitive based on the average selling price per sqm. Although with the lowest price, Granvia Suites cannot compare with Primavera Residences because of its lack of amenities such as elevator, swimming pool, gym and function rooms.

Project	Developer	Average Price (PHP Mns)				
		Studio	1BR	2BR	Office	Commercial
Primavera Residences Tower A	IDC	1.20	2.00	3.50	1.90	3.50

Primavera Residences Tower B	IDC	1.40	2.00	3.50		5.50
Granvia Suites	Johndorf	1.50	2.30	No Data	No Data	No Data
Smart Condominium	Yega Development Corporation	1.40	2.10	2.60	No Data	No Data
One Oasis	FLI	1.40	2.20	3.00	No Data	No Data
The Loop	VLI	1.80	2.70	5.30	No Data	No Data
Centrio Towers	ALI	1.80	3.00	5.00	No Data	No Data
Avida Tower	ALI	1.90	2.40	3.50	No Data	No Data
Aspira Tower	ALI	No Data	No Data	No Data	No Data	No Data
FICCO Condominium	FICCO	No Data	No Data	No Data	No Data	No Data
Global CDO Residences	Pamatong Construction	No Data	No Data	No Data	No Data	No Data

BREAKDOWN OF REVENUE

The Company's principal revenue is derived from the following:

	For the year ended December 31 (in PhP Mns)					For the six-month period ended June 30 (Unaudited, in PhP Mns)
	2014	2015	2016	2017	2018	2019
Sales of Units						
Primavera Residences A&B	133.88	216.53	56.64	16.17	32.01	11.19
Primavera City Phase 1	-	-	151.56	173.52	336.51	54.91
Miramonti Phase 1	-	-	-	-	-	135.70
Total	133.88	216.53	208.20	189.69	368.52	204.80

The Company's non-real estate sales related other income is derived from the following:

	For the year ended December 31 (in PhP Mns)			For the six-month period ended June 30 (Unaudited, in PhP Mns)
<i>in PHP Mns</i>	2016	2017	2018	2019
Service Income	-	0.16	0.10	0.01
Rental Income	-	1.47	2.57	1.02
Miscellaneous Income	-	1.66	16.12	4.28
Finance Income	1.76	1.28	1.13	0.34
Total	1.76	4.57	19.92	5.65

- Service income pertains to the 12% of basic monthly rental fee for managing the lease of the unit not owned by the company.
- Rental Income pertains to the income from leasing out of commercial units of the Primavera Residences Towers A & B.
- Miscellaneous income pertains to the nonrefundable payments of buyers during cancellation of sales and penalties of buyers due to late payments of monthly amortizations.
- Finance income pertains to the interest income earned by the company from its unit buyers availing of the in-house financing option and interest earned from various bank deposits.

These revenues are disclosed in the 2018 AFS as part of other income (note 24 in the 2018 AFS).

BREAKDOWN OF REVENUE CONTRIBUTED BY FOREIGN SALES

As of 30 June 2019, the following is the breakdown of revenues contributed by foreign sales:

Year	Total Contract Price (PhP)
2011	1,993,388.80
2012	5,420,970.88
2013	9,904,207.73
2014	30,522,298.22
2015	23,452,906.43
2016	64,987,886.74
2017	36,765,804.75
2018	41,761,675.80
1H 2019	98,922,349.89
Total	313,731,489.24

During 1H 2019, the percentage of unit sales from Filipinos vis-à-vis foreign buyers for Primavera Residences, Primavera City and Miramonti are 100:0, 91:9, and 61:39 respectively. Following is a table summarizing the breakdown of foreign sales by nationality for Primavera Residences, Primavera City and Miramonti for the 1st half of 2019:

Primavera Residences Towers A & B

Nationality	2016	2017	2018	IH 2019
Japanese	0%	0%	0%	0%
Korean	0%	0%	50%	0%
Chinese	0%	0%	0%	0%
Indian	0%	0%	0%	0%
Russian	0%	0%	0%	0%
Italian	0%	100%	0%	0%
Portuguese	0%	0%	0%	0%
Icelandic	0%	0%	0%	0%
Swedish	0%	0%	0%	0%
British	0%	0%	0%	0%
Australian	0%	0%	0%	0%
Canadian	0%	0%	0%	0%
Filipino-American/American-Filipino	100%	0%	0%	0%
American	0%	0%	50%	0%
Total Foreign Sales	100%	100%	100%	0%

Primavera City Phase 1

Nationality	2016	2017	2018	IH 2019
Japanese	0%	0%	0%	0%
Korean	0%	5%	0%	67%
Chinese	0%	0%	66%	0%
Indian	0%	0%	0%	0%
Russian	0%	16%	0%	0%
Italian	0%	20%	17%	33%

Portuguese	0%	0%	0%	0%
Icelandic	0%	0%	0%	0%
Swedish	4%	11%	0%	0%
British	4%	0%	0%	0%
Australian	4%	11%	0%	0%
Canadian	0%	0%	0%	0%
Filipino-American/American-Filipino	36%	5%	0%	0%
American	52%	32%	17%	0%
Total Foreign Sales	100%	100%	100%	100%

Miramonti Phase 1

Nationality	2016	2017	2018	IH 2019
Japanese	0%	0%	5%	85%
Korean	0%	0%	0%	0%
Chinese	0%	0%	0%	0%
Indian	0%	0%	10%	0%
Russian	0%	0%	0%	0%
Italian	0%	0%	20%	0%
Portuguese	0%	0%	5%	0%
Icelandic	0%	0%	5%	0%
Swedish	0%	0%	0%	0%
British	0%	0%	5%	0%
Australian	0%	0%	0%	0%
Canadian	0%	0%	0%	10%
Filipino-American/American-Filipino	0%	0%	10%	0%
American	0%	0%	40%	5%
Total Foreign Sales	0%	0%	100%	100%

DISTRIBUTION METHODS OF THE PRODUCTS OR SERVICES

The Company uses various channels to distribute its products, including a sales office in Cagayan de Oro at the location of its pilot project, Primavera Residences as well as its sales office in Sto. Tomas, Batangas at the location of its Miramonti project. The Company is currently expanding its network of real estate brokerage agencies, brokers, and agents in the Philippines as well as abroad. Online marketing is also done through its website, which is handled by an online sales person. The Company also does business to business presentations for corporate accounts.

PRINCIPAL SUPPLIERS

Following is a table summarizing the Company's principal suppliers and the products and services supplied to the Company as of the date of this prospectus.

NAME OF CONTRACTOR	ADDRESS	SCOPE OF WORK	PROJECT
A.V. Pamatong Trading and Construction, Inc.	Zone 12, Baloy Tablon, Cagayan De Oro	Structural and Masonry Contractor	
Eurovek	5F B&P Building, Arnaiz, Makati, NCR	Plumbing and Fire Protection Contractor	
2GKI	St. Francis, Shaw Blvd, Mandaluyong	Electrical Contractor	

Borja Construction Coordinates and Allied Services Inc.	St. Pio Del Pilar, Makati, NCR	Mechanical Contractor	PRIMAVERA CITY PHASE I
Ecosystem	Pleasant Hills, Mandaluyong, NCR	Sewage Treatment Plan	
KPI Elevators, Inc. / KONE	25F BDO Equitable Tower, Paseo de Roxas Ave., Makati, NCR	Conveying System Work	
Mellil Construction and Supply	Sta. Fe, Leyte	Structural Steel Contractor	
Glowing Glass Marketing	Magsaysay Ave, Davao City	Glazing works contractor	
Integrated Builders and Waterproofing Inc.	Addition Hills, Mandaluyong	Waterproofing works	
KVR Construct Construction Services	7F Wingrace Dormitory Bldg. Fernandes St., Cagaya De Oro	Architectural Finishes Works	
Multi Rich Home Decors, Inc.	488 Boni Ave. cor. San Joaquin Sts., Mandaluyong, NCR	Supply & Delivery of Tiles	
Hocheng Philippines Corporation	1163 Chino Roces Ave., San Antonio Village, Makati, NCR	Supply of toilet fixtures	
Adonai Design Enterprises	Dona Emeteria Commercial Complex, Brgy. 22, Osmena Ext., Cagayan De Oro	Cladding Works	MIRAMONTI PHASE I
D.L. Cervantes Construction Corporation	Gen. Malvar St., Brgy. Tubigan, Binan, Laguna	Structural works	
SJB Containers and Maritime Logistics	Taguig City, Metro Manila	Fabrication and delivery of Container Van Sales Office of Miramonti	
V.B. Columna Construction Corporation	33, Azcuena St., Violeta Village, Sta. Cruz, Guiguinto	Construction of Preliminary Works & Site Development Works of Miramonti Sales Office	
Intellicraft Industrial Services, Inc.	Suite 910 West Tower, Phil. Stock. Exchange Bldg., Pasig City	Construction of Green Residences Showroom	
FG Home Builders & Construction Supply	Sto. Tomas, Batangas	Tiles for Miramonti Showroom	

NAME OF CONTRACTOR	SCOPE OF WORK	PROJECT
G&L Electromechanical Contractors Corporation	Electrical Works	PRIMAVERA RESIDENCES TOWER A
FDPY Pipe Specialists Co	Sanitary and Plumbing Works and Fire Protection Works	
FDPY Pipe Specialists Co	Additional contract re Laundry Cages	
Jay Builders Industries Inc.	Supply and installation of Aircon Grille and Railings	
Well-Kraft	Kitchen Cabinet Works	
F4J	Swimming pool Works	
Multi-Rich	Supply of Tiles	
KPI	Supply, Delivery and Installation of Elevators	
Indentrade	Genset Works	

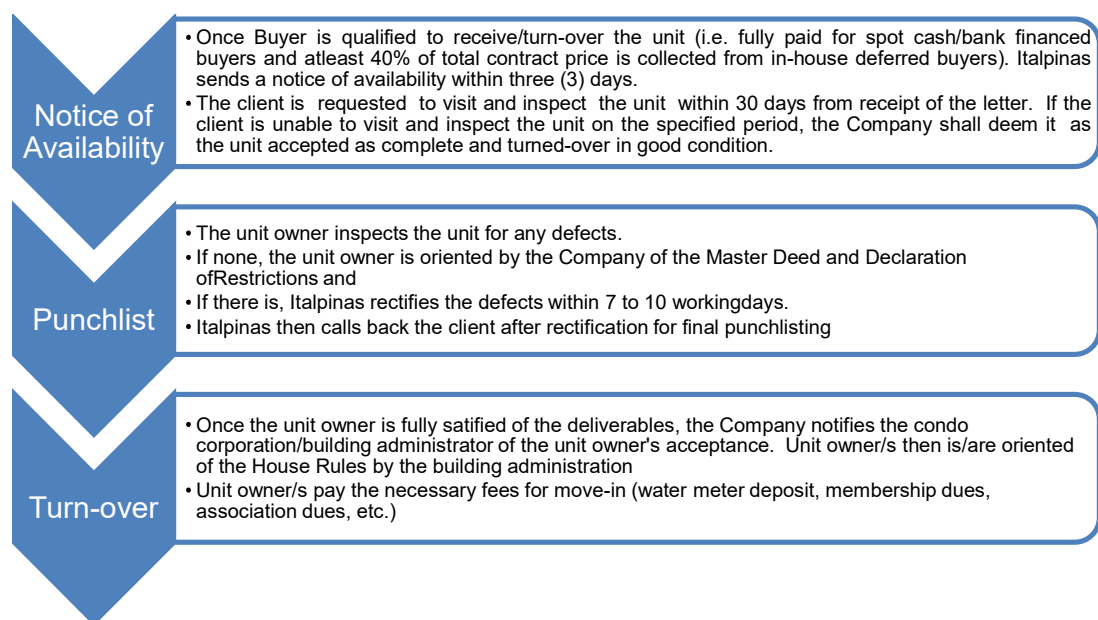
Eco-System	STP Works	
Niagara	Supply Fans & Blower	
HG&P	Duct Works	
Builders Aide	Aluminium Cladding	
Alternative Global	Aircon and Additional Glass works	
Prompt Managers	Management and Technical Services	
Edmond Ray Construction and Supply	Supply and Installation of Paver Tiles	
Hydrotek, Inc.	Supply & Installation of water proofing works	
First Orient Development & Construction Corp.	General Construction Works	PRIMAVERA RESIDENCES TOWER B
G&L Electromechanical Contractors Corp	Electrical Works	
FDPY Pipe Specialists	Sanitary and Plumbing Works & Fire Protection Works	
KPI	Elevator Works	
Eco-System	Design & Build of STP	
Prompt Managers	Management and Technical Services	
JNJ Konstrak	Building permit plans for Tower B	
JNJ Konstrak	Revision bldg. permit plans for Tower B	
Alternative Global Supply Chain Company	Fabrication & installation of Glass & Aluminum Works	
Multi Rich Home Decors, Inc.	Supply & Delivery of Tiles	
Hi Tronic Import Marketing	Supply & Delivery of Wooden Doors	
Builders Aide	Supply and installation aluminum panel	

DEPENDENCE ON A FEW OR SINGLE CUSTOMER

The Company being in the real estate industry is not dependent on a single or few customers; rather the Company has a broad customer base – from local to foreign nationals. In addition, no single customer accounts for twenty percent (20%) or more of the Company's sales.

HANDLING OF AVAILABILITY AND TURN-OVER OF UNITS

Below is a detailed discussion on and the process flow of the Company's handling of availability and turn-over of condominium units.



CREDIT POLICY

As stated in the Contract to Sell, the buyer is required to issue post-dated checks to cover the down payment requirements and/or any unpaid portion of the Purchase Price. If the buyer intends to avail of bank financing, the buyer shall comply with all the requirements of the bank or financing institution. In the event that the loan application of the buyer is approved by the bank or financing institution, the buyer hereby authorizes the bank or financing institution to release directly to the Company whatever amount may be available from the approved loan of the buyer to pay the Purchase Price. In the event that the loan application approved for the buyer is less than the balance of the Purchase Price, the buyer shall pay the seller the amount corresponding to the difference within fifteen (15) days from written notice by the seller or such bank or financing institution's notice of disapproval, whichever comes later.

Should the buyer's loan application be disapproved by the bank or financing institution, the balance in the schedule of payment shall be paid by the buyer within fifteen (15) days from written notice by IDC or such bank or financing institution's notice of disapproval, whichever comes later.

MODES OF PAYMENT OFFERED BY THE COMPANY

The modes of payment offered by the Company to prospective buyers are as follows:

1. Reservation of PhP10,000 – PhP20,000 deductible from Total Contract Price ("TCP")
2. Spot cash – full payment of Total Contract price (TCP) on or before 30 days from Reservation date in order to enjoy a 7% discount on TCP.
3. Deferred Payment – 24 months equal installment of TCP with 0% interest.
4. Bank Financing - 10% DP of TCP payable in equal installment within 24 mos. With PDC @ 0% interest. The balance of 90% is for Bank Financing.
5. Outright Bank Financing - full payment of 10%-20% Equity with 5% discount on equity and immediate application for Bank Financing on TCP balance.
6. In-House Financing - 30% DP payable in 24 equal monthly amortization at 0% interest. Balance of 70% will be charged @ 14% interest p.a payable in 5 years.

The company evaluates the creditworthiness of the buyer for deferred payment and in-house financing based on the 5 C's of credit namely, Character, Capacity, Conditions, Capital and Collateral. The character of buyer is assessed based on his declarations regarding his/her criminal or civil case records. A buyer's capacity is assessed based on his/her income. IDC considers as desirable if the buyer has at least 40% of its gross income that is available to pay for the monthly amortization.

Condition refers to the status of a buyer's business or employment, that is, the buyers' nature of business and business condition if he/she is an entrepreneur or self-employed, or the buyer's nature of employment and employment status if he/she is employed. As regards to capital, the Company requires a buyer's proof of income such as last 3 years' income tax returns and audited financial statements for who derive income from businesses or those who are self-employed. If the buyer is employed, the Company will require his/her six months' pay slips or certificate of employment with indicated salary/other financial benefits.

Lastly, collateral pertains to the residential unit purchased. The title of the unit is only transferred once it has been fully paid for by the buyer. If the buyer defaults, IDC can cancel the contract to sell after due process. It will refund the buyer's amortizations as warranted and as stipulated by the Maceda Law.

POLICY FOR RE-SELLING DEFAULTING CLIENTS AND CANCELLED SALES

The following events shall constitute an event of default under the Contract to Sell:

1. failure or delay of the customer to pay any amount due in this Contract to Sell, on the date or within the period specified for its payment, for any reason whatsoever;
2. failure or delay of the customer in the submission of the post-dated checks ("PDCs") required under this Contract to Sell; or the failure of the IDC to obtain and receive the actual receipt of the proceeds of any PDC due to insufficiency of funds, closure of account, refusal of the drawee bank to honor the check on the date of presentment for payment, or for any reason whatsoever, other than due to the willful act or gross negligence of the IDC;

3. cancellation by the customer of this Contract to Sell or withdrawal of the purchase of the Unit, for any reason whatsoever, other than due to the willful act or gross negligence of the IDC;
4. failure of the customer to comply with any covenant or obligation required to be performed or undertaken hereunder or to comply with any covenant or restriction under the Deed Restrictions; or
5. the concealment of any fact, or providing any information which is determined to be false or misleading in the Customer Information Sheet or the loan application or any supporting documents, or any of the documents signed, executed or delivered by the customer (including this Contract to Sell) on the basis of which the IDC shall have agreed to the sale of the Unit to the customer.

Upon the occurrence of any of the events specified above, the IDC shall be entitled to exercise or avail itself, at the IDC's option and sole discretion, of any, some or all of the following rights or remedies, whether cumulatively or alternatively, in conjunction with or separately, from any other right or remedy granted hereunder or under the law:

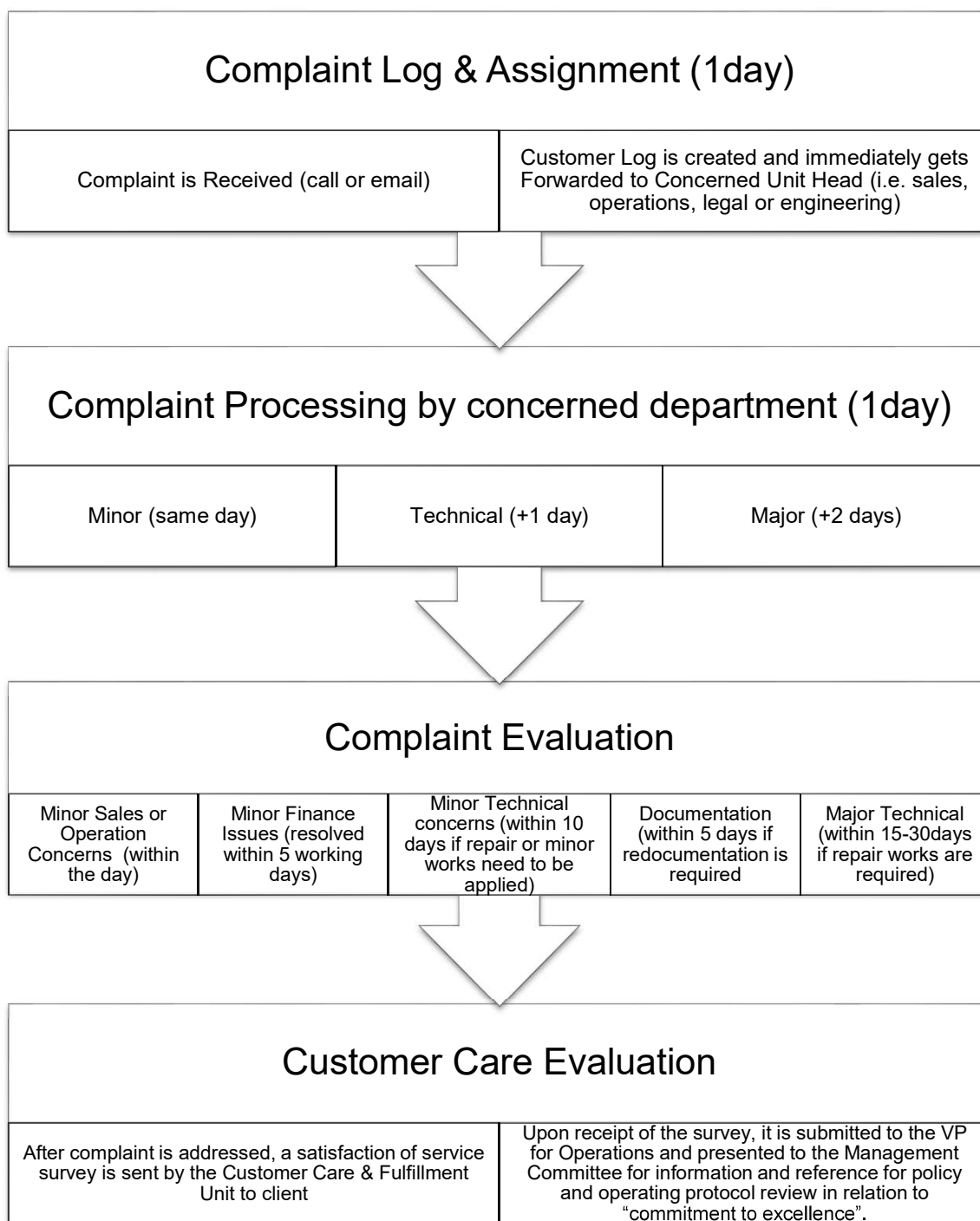
- a. The IDC shall have the right to collect penalty interest at the rate of three percent (3%) per month (or a fraction thereof) of the unpaid amount, for every month (or a fraction thereof) of delay in remitting to the IDC the amount due. Such payment of penalty interest charges shall not be a substitute for and shall be in addition to the payment of the amounts otherwise due under this Contract to Sell and shall not prejudice the exercise by the IDC of any other right or remedy granted to it under this Contract to Sell.
- b. The IDC shall be entitled to cancel this Contract to Sell without need of a court declaration to that effect, by giving the customer a written notice of cancellation sent to the address of the customer as specified herein, by registered mail or personal delivery. As a result of such cancellation, the IDC shall have the right to forfeit all amounts paid by the customer herein as liquidated damages.

The Company fully complies with RA 6652 (Maceda Law). From the first notice of cancellation for defaulting clients, it takes up to 90 days before the Contract to Sell is cancelled. Below is the process in case of payment default conditions:

The Company has a credit and collection department which is in charge of handling the amortization payments of buyers. The team is responsible for the timely collection of payments, depositing of post-dated checks and the eventual remittance of payments to the Company's treasury group and undertaking remedial measures for delinquent accounts. The CCS are also responsible for issuing demand letters, notices of check dishonor, notices of sales cancellation, should it be necessary, in cases of bounced checks, failure to pay monthly equity, and voluntary cancellations.

HANDLING OF CUSTOMER COMPLAINTS

Below is the process flow of the Company's handling of customer complaints:



NEED FOR GOVERNMENT APPROVAL OF PRINCIPAL PRODUCTS OR SERVICES AND EFFECT OF EXISTING OR PROBABLE GOVERNMENTAL REGULATIONS

TAX REFORM

In the Philippines, the government launched the 1st of its four (4) Tax Reform Package or the Tax Reform for Acceleration and Inclusion ("TRAIN") law which took effect starting January 1, 2018. In general, the said law aims to increase the take home pay of individual taxpayers by giving tax exemption on the first

PhP250,000 of their yearly income while imposing higher tax on certain products like oil, petroleum and fuel products, sweetened beverages, and automobiles among others.

On the other hand, even though the focus of the TRAIN law is on individual taxpayers, the passage of the TRAIN law still impacted those in the real estate business which includes the Company. Before the passage of the TRAIN law, the VAT threshold on house and lots and other properties deemed as residential dwellings (e.g. condominium units, etc.) is at PhP3,199,200. Now, with the passage of the TRAIN law, VAT exemption is only applicable for house and lot and other residential dwellings worth PhP2,500,00 and below. Given that most of the Company's units are priced slightly above the threshold, most of the Company's sales are now subject to the imposition of VAT.

Additionally, the Documentary Stamp Taxes ("DST") on debt instruments increased from PhP1.00 to PhP1.50 per PhP200 or a fraction thereof. This increases the transaction cost of loan availment for the Company's projects as well as on the part of the unit buyers who are availing of deferred payment scheme, in-house financing, and bank financing.

Lastly, the House Bill 4157 or the Corporate Income Tax and Incentives Rationalization Act ("CITIRA") for the proposed 2nd Tax Reform Package was already published last 18 September 2019. Some highlights of the said bill are the reduction of corporate income tax by 1% each year beginning January 1, 2020 until January 1, 2029 dropping the corporate income tax to 20% by that time, further qualifying the corporations that can avail of the optional standard deduction, and inclusion of "Tax Incentives" in the National Internal Revenue Code as "Title XIII" to cover the fiscal incentives.

Since some of the Company's projects are registered under the strategic investment priority plan with the Board of Investments and are still enjoying fiscal incentives, the Company would greatly benefit from the additional fiscal incentives that the said bill is introducing including reduced corporate income tax rate after expiration of income tax holiday and enhanced deductions (additional deductions) among others.

Apart from the discussion already included herein, the Company is not aware of any pending legislation or governmental regulation that is expected to materially affect its business.

PERMITS & LICENSES

In the normal course of entering and doing this business, real estate developers are required to secure different permits and licenses before constructing the project and making sales. This is on a per project basis and the Company religiously applies for the required governmental approvals for its projects.

The Company is required to secure the following permits and licenses from the respective regulatory agencies for the development of its Primavera City Phases 1 and 2 as well as Miramonti Phase 1 projects. The details of these permits and licenses are shown below.

TYPE OF PERMIT/LICENSE	DATE ISSUED	EXPIRY DATE	ISSUING ENTITY	HOLDER OF PERMIT
Barangay Clearance	Mar. 31, 2014	n/a	Carmen Barangay Hall, Cagayan de Oro City	Primavera City Phase I Block 20, Lot 6 & 7, Pueblo Business Park, Upper Carmen, CDO
Environmental Clearance Certificate	Sept. 19, 2014	n/a	Environmental Management Bureau, DENR, Region 10	
Locational Clearance/ Zoning Cert.	Aug. 18, 2014	n/a	City Planning and Development Office, Cagayan de Oro	
CAAP Height Clearance	Jul. 18, 2014	expired	Civil Aviation Authority of the Philippines	
Re-application	Oct. 15, 2018	Oct. 15, 2020	Civil Aviation Authority of the Philippines	
Building Permits	Feb. 26, 2015	n/a	Ofc. of Building Official, Cagayan de Oro City	
Development Permit	Mar. 30, 2015	n/a	Housing and Land Use Regulatory Board, Region 10	
Alteration of Plan 1	Jun. 13, 2016	n/a	Housing and Land Use Regulatory Board, Region 10	
Alteration of Plan 2	Oct. 24, 2016	n/a	Housing and Land Use Regulatory Board, Region 10	

Alteration of Plan 3	Oct. 25, 2018	n/a	Housing and Land Use Regulatory Board, Region 10	
Certificate of Registration	Jun. 13, 2016	n/a	Housing and Land Use Regulatory Board, Region 10	
License to Sell Tower A	Jun. 24, 2016	Jun. 30, 2022	Housing and Land Use Regulatory Board, Region 10	
License to Sell Tower B	Jun. 13, 2016	Jun. 30, 2022	Housing and Land Use Regulatory Board, Region 10	
Barangay Clearance	Jul. 24, 2018	n/a	Carmen Barangay Hall, Cagayan de Oro City	Primavera City Phase II <i>Block 20, Lot 4 & 5, Pueblo Business Park, Upper Carmen, CDO</i>
Environmental Clearance Certificate	Nov. 11, 2018	n/a	Environmental Management Bureau, DENR, Region 10	
Locational Clearance/ Zoning Cert.	Aug. 3, 2018	n/a	City Planning and Development Office, Cagayan de Oro	
CAAP Height Clearance	Oct. 15, 2018	Oct. 15, 2020	Civil Aviation Authority of the Philippines	
Fire Safety Evaluation Clearance	Jan. 4, 2019	n/a	Bureau of Fire Protection	
Building Permits	May 17, 2019	n/a	Ofc. of Building Official, Cagayan de Oro City	
Development Permit	4 April 2019	n/a	Housing and Land Use Regulatory Board, Region 10	
Certificate of Registration	24 June 2019	n/a	Housing and Land Use Regulatory Board, Region 10	
License to Sell Tower A	24 June 2019	Aug. 31, 2024	Housing and Land Use Regulatory Board, Region 10	
License to Sell Tower B	24 June 2019	Aug. 31, 2024	Housing and Land Use Regulatory Board, Region 10	
Barangay Clearance	Nov. 24, 2016	n/a	Ofc. of Barangay Chairman, Barangay San Rafael	
Environmental Clearance Certificate	Mar. 31, 2017	n/a	Environmental Management Bureau, CALABARZON, DENR	Miramonti Green Residences Phase I <i>LISP III, Barangay San Rafael, Sto. Tomas, Batangas</i>
Locational Clearance	Mar. 6, 2017	n/a	Sangguniang Bayan of Sto. Tomas, Batangas	
CAAP Height Clearance	Jul. 20, 2016	n/a	Civil Aviation Authority of the Philippines	
Laguna Lake Dev. Clearance	Jun. 13, 2017	n/a	Laguna Lake Development Authority	
Earthquake Hazard Assessment	Apr. 3, 2017	n/a	PHIVOCS, Department of Science and Technology	
Building Permits • Original • Renewal	Mar. 16, 2017 Dec. 28, 2018	n/a	Ofc. of Building Official, Sto. Tomas, Batangas	
Development Permit	Apr. 17, 2017	n/a	Housing and Land Use Regulatory Board, Southern Tagalog Region	
Alteration of Plan	Oct. 26, 2017	n/a	Housing and Land Use Regulatory Board, Southern Tagalog Region	
Certificate of Registration	Dec. 7, 2017	n/a	Housing and Land Use Regulatory Board, Southern Tagalog Region	
License to Sell	Dec. 7, 2017	Aug. 7, 2022	Housing and Land Use Regulatory Board, Southern Tagalog Region	

As of July 22, 2019, all applicable permits and licenses of the Company and its subsidiaries are valid and subsisting as per the opinion of the Company's external legal counsel, Dionisio A. Tejero & Associates.

As of June 30, 2019 all the necessary permits and licenses for Primavera City Phase II have been secured. Following is a table of the permits and licenses secured by the Company. These are all of the permits and licenses required to be secured by the Company and its subsidiaries to continue its business operations.

RESEARCH AND DEVELOPMENT

The expenses incurred for research and development activities are minimal and do not amount to a significant percentage of revenues. The Company uses performance -based design using a parametric architecture software in designing its projects. This and other software being used by the Company are relatively inexpensive. The main advantage of the Company is the knowledge and experience of its architects who utilize this software.

COST AND EFFECT OF COMPLIANCE WITH ENVIRONMENTAL LAWS

The expenses incurred by the Company for purposes of complying with environmental laws consist primarily of payments for government regulatory fees that are standard in the industry and are minimal.

MATERIAL CONTRACTS

The Company's principal contracts generally consist of:

1. Contract for Construction and Supply

The Company being a real estate developer is engaged with contracts for the development and construction of its projects. A project and construction management contract, architectural and design contracts, and supply of materials and services for the construction are mainly the types of agreements the Company has entered into.

2. Contract for the lease of its office space

The company uses 189 square meters situated at 28th Floor, 6811 BPI-Philam Life Building, Ayala Avenue, Makati City as its head office. This property is owned by Terrace 28 Corporation and is leased to the Company for PhP250,000 per month. The Contract of Lease is for the duration of three (3) years commencing from March 1, 2018 to February 28, 2021.

3. Contract to Sell and Deed of Absolute Sales of the condominium units

To ensure that the execution of the sale of a unit and/or units are legally binding and within the standards of national and local regulations, the Company as the developer and seller executes Contracts to Sell and Deeds of Absolute Sale. The Contract to Sell enumerates the rights and obligations of the buyer and seller in connection with the purchase of units. Once the buyer has paid the total contract price, A Deed of Absolute Sale will be executed to transfer ownership of the units to its buyers.

The Company uses standard template for both contracts and updates it as needed.

4. Insurance Contracts

All of the Company's projects are covered by necessary insurances. The Contractors All Risks Insurance (CARI) for the construction of Primavera City Phase 1 Towers A and B was issued by Malayan Insurance which was secured by the Company through DBP Insurance Brokerage, Inc. For the on-going construction of its Miramonti Green Residences Phase 1, a CARI was issued by Malayan Insurance through the Land Bank Insurance Brokerage, Inc.

5. Financing Agreements

The Company was granted a development loan by DBP for Primavera City Phase Tower A and B respectively with an aggregate amount of PHP350.0 million. DBP also granted the Company a revolving credit line amounting to PhP50 million. The Company was also granted a PhP420 million development loan by LandBank to finance its Miramonti Green Residences project and a PHP100.0 million revolving short-term loan by UCPB.

As of 30 June 2019, IDC has fully paid the development loans it obtained from LandBank and BPI for the Primavera Residences Condominium Tower A and Primavera Residences Tower B projects in Pueblo de Oro Business Park, Upper Carmen, Cagayan de Oro City. The mortgage to these properties were cancelled and the individual units covered by such mortgage deeds were released in favor of IDC.

LOAN SUMMARY

As of 30 June 2019, the Company's total outstanding debt obligations with banking institutions is Php461.35 Million with interest rates ranging from 5.95% to 10.73%. Details on each loan as follows:

Creditor	Purpose	Principal Amount/ Approved Credit Line Amount	Interest Rate	Outstanding Balance	Term	Status
PSBank	Vehicle Loan	2,285,600	10.73%	246,442	5 years	Current
DBP	Construction of PC Phase 1 Mixed-Use Residential	350,000,000	5.95%	298,120,106	5 years	Current
DBP	Working Capital – Short-Term Credit Line	50,000,000	5.95%	48,500,000	180 days	Current
UCPB	Working Capital – Short-Term Credit Line	100,000,000	6.25%	74,000,000	180 days	Current
Security Bank	Vehicle Loan	1,778,400	8.81%	1,020,701	5 years	Current
Security Bank	Vehicle Loan	1,167,200	8.11%	865,456	5 years	Current
LandBank	Construction of MMO Phase 1 Mixed-Use Residential	420,000,000	6%	38,600,000	7 years	Current
Total				461,352,705		

As of June 30, 2019, DBP has released to IDC Php181.38 million and Php137.30 million for Towers A and B respectively, a total of Php318.68 million from the total approved credit line amount of Php350 million. Of this total availed amount, IDC has already repaid Php20.56 million, leaving an outstanding balance of Php298.12 million as of 30 June 2019. This represents a utilization rate of 91.05% of the approved amount.

Of the Php50 million short term credit line granted by DBP, IDC has availed Php48.50 million which was utilized to partially defray some operating expenses.

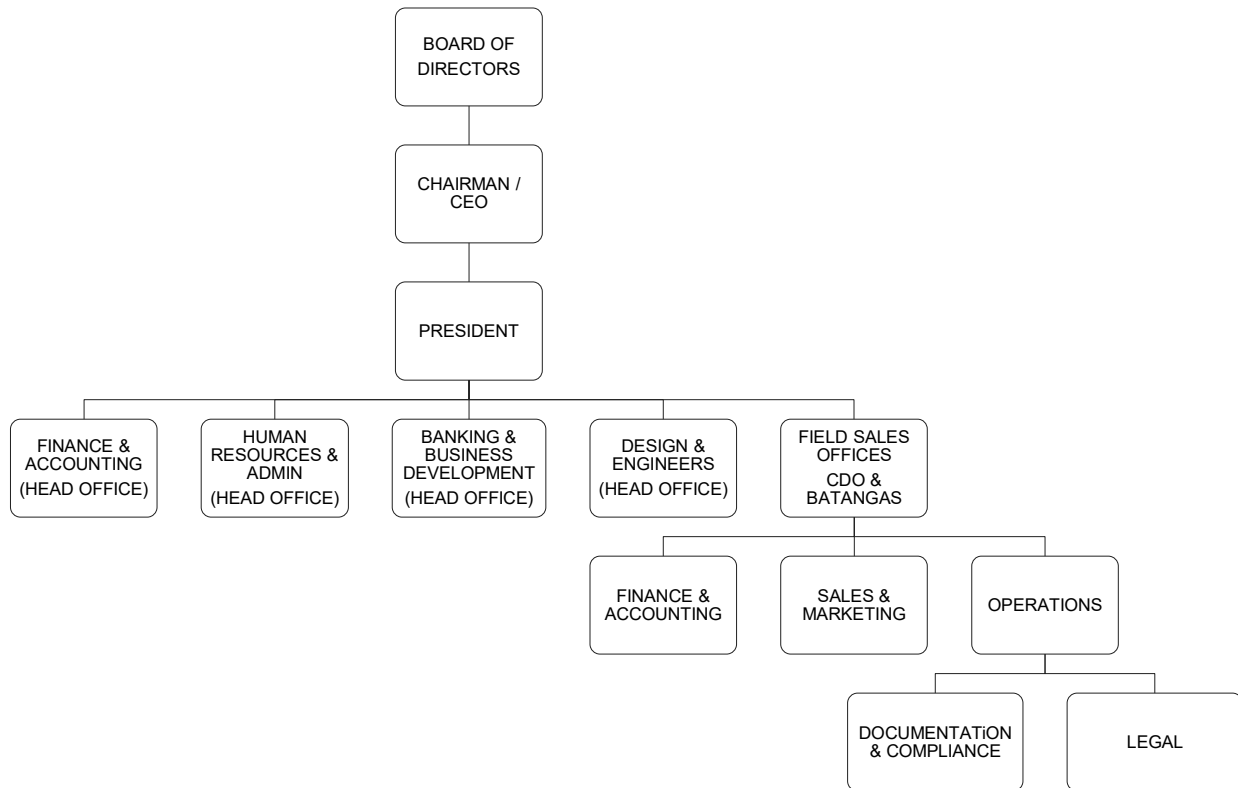
As of June 30, 2019, IDC has availed Php38.6 million from Landbank's Php420 million approved development loan to partially reimburse the Company's pre-operating expenses for Miramonti Green Residences.

IDC drew Php74 million from UCPB's PHP100 million revolving short-term credit-line. The availed amount will become due in December 2019.

Other than these, the Company is not a party to any contract of any material importance and outside the usual course of business, and the Directors do not know of any such contract involving the Company.

ORGANIZATION, BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The following diagram illustrates the organizational structure of IDC:



GENERAL DESCRIPTION OF DEPARTMENTS

Finance and Accounting

This department is responsible for the treasury, disbursements, credit and collections, preparation of financial statements, overall financial management and tax related matters with government agencies. It also monitors and supervises the on-site IDC field offices in Cagayan de Oro and Batangas, the collections of receivables from buyers as well as from banks who extends housing loans to end buyers.

Human Resource and Administrative

This department is responsible for the Company's personnel services, such as compensation and benefits, recruitment, organizational development, employee relations, and labor relations; and administrative services such as office management, purchasing, information management system, time and attendance, and recurring legal activities like permits and licenses of the business.

Banking and Business Development

This department is responsible in preparing the business plans for new projects, sourcing of funds and coordinating as well as negotiating with financing institutions and investors who may be interested to support the company's expansion plans. It is also responsible in securing accreditation from various banks of the company's projects for housing loans to end buyers and assisting the operating units in facilitating loan take outs.

Design and Engineering

This unit is responsible for the design and planning as well as securing all the permits and licenses of new projects. It is also accountable to ensure smooth construction coordination of the on-going projects with the various contractors and project manager(s). It also extends technical and direct assistance during punch listing of units prior to the owners' moving-in as well as regarding repairs and maintenance of the units, the entire building and its facilities until full turn over to the condominium corporation.

FIELD OFFICES (CAGAYAN DE ORO AND BATANGAS)

The company maintains a dedicated sales and marketing offices in Cagayan de Oro handling its Primavera Residences and Primavera City projects. It has also a similar office located in Sto. Tomas, Batangas which is solely responsible for the Miramonti Green Residence project.

The field offices have different functional units as described below:

Finance and Accounting

This unit is functionally under supervision of the Finance and Accounting Department of IDC's Head Office. It is responsible in the day to day collections and management of receivables and coordination with banks on the loan take outs, disbursements to local suppliers and other contractors. It is also responsible in preparing all financial and accounting reports related to its operations including compliance to BIR and other local government units

Sales and Marketing

The Sales and Marketing department is responsible for managing events, advertising and promotions as well as maintaining public relations for the Company. In addition, this unit focuses on leads generation through marketing activities and supports the Sales department through different marketing tools undertaken directly or through internal and external real estate brokers. The Sales department then will convert these leads into sales. The Sales department is linked with the Documentations and Compliance unit wherein they turn over the client after closing a sale for after sales documentations. They also monitor the amortization made by clients for the proper release of commissions to brokers and agents. Furthermore, they turn over to the condominium corporation clients qualified for occupancy of the units.

Operations

This department oversees the day to day operations of the Sales Office from customer's handling of complaints, facility management and maintenance, cash flow management and risk management. It also handles customer care and fulfillment services including provision of after-sales services to unit owners.

Documentations and Compliance

This department is responsible for the after- sales documentation requirements in buying condominium units, processing of required documents for the loan take out accounts on behalf of the clients, and for the transfer of title from the developer to the unit owner. It is also responsible in ensuring compliance to all policies and regulations of the local and national regulatory agencies such as HLURB, OBO, BIR, etc.

Legal

The Legal unit is responsible in handling interpreting all applicable laws, policies, regulations concerning the real estate business. With an overall objective to protect the good image of IDC, it also handles cases, as and when necessary either as plaintiff and/or respondent.

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 and Principal Officers

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

Name	Nationality	Position	Date of Last Election / Appointment
Romolo V. Nati	Italian	Director, Chairman and Chief Operating Officer	October 17, 2018
Jose D. Leviste III	Filipino	Director/ President	October 17, 2018
Shennan A. Sy	Filipino	Director, Treasurer	October 17, 2018
Christine P. Base	Filipino	Director/ Corporate Secretary	October 17, 2018
Jose Fidel Acuna	Filipino	Director	October 17, 2018
Januario Jesus Gregorio III	Filipino	Director	October 17, 2018
B. Atencio			
Elvira Ablaza	Filipino	Director	October 17, 2018
Jose G. Araullo	Filipino	Independent Director	October 17, 2018
Rafael A. Dominguez	Filipino	Independent Director	October 17, 2018

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 and Key Officers

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

Board of Directors

Arch. Romolo Valentino Nati

Chairman of the Board/CEO

51 years old, Italian, is a multi-awarded green architect, sustainable developer and multi-awarded car designer (BMW and Mitsubishi). He has been awarded in Italy, Estonia and the Philippines. He graduated "Summa Cum Laude" in Architecture in Rome at the University of Rome "La Sapienza" and has a Specialization Course in Urban Landscape and Layers from University of Tallin, Estonia and currently taking an Executive Master's in Business Administration from Asian Institute of Management, Philippines. Arch. Nati is primarily responsible for the overall management and implementation of the Company'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

39 years old, Filipino, earned his degree in Law at the University of New South Wales in Australia and was Associate Attorney at Toda & Co. Commercial Lawyers in Australia. Atty. Leviste also serves as the President of the Company's sister company, Constellation Energy Corporation. Rather than being only a legal advisor, 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. Moreover, he prepares and reviews various documents related to project contracts, buyer's contracts, brokers' agreement and all other legal-related documentations. 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*

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

Mr. Januario Jesus Gregorio III B. Atencio*Director*

57 years old, Filipino, has been the President and CEO of the Company Holdings, Inc. and its eleven (11) other Real Estate Subsidiaries. He was also President and CEO of the Company Housing Development Corporation, and other Housing related businesses such as Januarius Holdings, Inc., and Januarius Realty Development Corp. He was also the founder of the Center for Housing Advocacy and Independent Synergies (CHAIRS), and has likewise been a Private Sector Representative of the Housing and Urban Development Coordinating Council (HUDCC) from 2011 up to 2016. In terms of Non-Housing endeavors, Mr. Atencio has been the Founder of and Chairman of Original Pitch Venture Capital, as well as the Chairman of Stoken STKD, Inc. He has also been a director in several other companies, like TOMIZON, PTE Australia; The Global Filipino Investor, Inc.; Acudeen, Inc.; SocialITE, Inc.; Pilipinas Water, Inc.; and BP Water Works, Inc. Mr. Atencio likewise have been involved in personal affiliations such as being the National Board Advisor of the Organization of Socialized Housing Developers of the Philippines (OSHDP) since 2009. He also became National President and Chairman of the Subdivision and Housing Developers Association (SHDA) from 2002 up to 2004. He was also the Founder and Chapter Advisor of the SHDA Central Visayas. In 1983, Mr. Atencio obtained his Bachelor of Arts degree, Major in Psychology from the Ateneo de Manila University. He was also a part of the Applied Business Economics Center for Research and Communication of the University of Asia and the Philippines, from 1986 up to 1987. In the year 2011, Mr. Atencio attended the International Housing Finance of the Wharton School of Business, University of Pennsylvania, in the United States of America.

Mr. Jose G. Araullo*Independent Director*

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

Mr. Rafael A. Dominguez*Independent Director*

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

Atty. Christine P. Base*Director/Corporate Secretary*

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

Atty. Jose Fidel R. Acuna*Director*

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

Ms. Elvira Ablaza*Director*

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

Key Officers**Mr. Harold J. Dacumos***Senior Vice President for Banking and Business Development*

66 years old, Filipino, has over 30 years of experience in the field of banking and finance. He is responsible for the sourcing of funds and the overall financial and accounting management of the company. He also supports the company in business development and strategic planning. He maintains good and long-term business relationships with banks, other financial institutions and investors to support the company's financial requirements to develop its various projects. Mr. Dacumos graduated from the University of the Philippines, Diliman with a degree in Business Administration. He also has a Master's degree in Urban and Regional Planning from the same University. Mr. Dacumos also has a 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*Vice President and Head of Finance and Accounting*

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

Mr. Guiseppe Garofalo*Project Director- Design and Engineering*

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

Ms. Gladys M. Echano*Sales Director – Primavera Sales Office*

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

Ms. Maria Aleli Villacorte*Project Director- Miramonti*

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

EMPLOYEES

The functional structure of IDC is supported by well-experienced professionals in both technical and administrative aspects of real estate development, construction project management, marketing and financial administration.

As of 30 June 2019, the Company has a total of sixty-four (64) employees including consultants and others. The Company has no collective bargaining agreements with its employees due to the absence of organized labor organizations in the Company. The Company complies with the minimum compensation standards mandated by law and provides supplemental benefits such as health insurance to qualified personnel. The following table presents the breakdown of employees per office/department:

	Regular	Probationary	Consultant	Agency	On-call	Total
Corporate Head Office (Makati)	11	11	2	-	-	24
Miramonti Sales Office (Batangas)	3	5	-	-	-	8
Primavera Sales Office (Cagayan de Oro)	14	5	3	-	1	23
Construction & Design (HQ / Batangas / Cagayan)	4	1	-	4	-	9
Total Manpower	32	22	5	4	1	64

For the next 12 months, the Company estimates that it would need 18 additional personnel to increase capacity in its Sales and Marketing, Finance and Accounting, Documentation and Compliance, Engineering, and Human Resource departments. The breakdown of the anticipated number of additional personnel per department is as follows:

- Sales and Marketing (Batangas): 3 (2 sales supervisors, and 1 sales assistant)
- Finance and Accounting (Cagayan de Oro and Batangas): 3 (1 assistant finance manager in Cagayan de Oro, and 2 accounts receivable personnel in Batangas)
- Documentation and Compliance (Head Office): 6 (2 documentation and compliance officers, 4 documentation processors)
- Engineering: 5 construction management personnel

e) Human Resources (Head Office): 1 HR manager

While the Company values the contribution of each executive and non-executive employee, there is no employee that the resignation or loss of whom would have a significant adverse effect on the business of the Company. Other than standard employment contracts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

Lastly, the Company has not experienced any strike or dispute or threats from its employees for the past 3 years.

SHAREHOLDER STRUCTURE

Name	Nationality	No. of Shares Subscribed & paid	Amount Subscribed & Paid (in PhP)	% of Total Outstanding Shares
Romolo V. Nati	Italian	80,370,225	40,185,112.50	24.99%
Jose D. Leviste III	Filipino	103,605,584	51,802,792.00	32.21%
Other Directors and Officers	Filipino	339,090	169,545.00	0.10%
Public		137,303,901	68,651,950.50	42.69%
Total		321,618,800	160,809,400.00	100.00%

FAMILY RELATIONSHIPS

None of the foregoing directors, officers and shareholders, chosen or nominated is related to each other by consanguinity or affinity up to the fourth civil degree.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

The Company is not aware of any adverse events or legal proceedings during the past five years that are material to the evaluation of the ability or integrity of its directors or executive officers.

Other than the foregoing discussion, to the best knowledge of the Company, none of its present directors or executive officers has been subject to the following:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities, commodities, or banking activities; or
- Found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

i. Executive Compensation

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

COMPENSATION SUMMARY

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

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

ii. Compensation of Directors

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

The stockholders ratified a resolution at its meeting on 20 August 2015 authorizing the compensation of Directors to be PhP10,000.00 for every board, committee meeting and stockholders' meeting attended.

On 17 October 2018, the Compensation and Remuneration Committee ratified a resolution approving the per-diem of PhP3,000.00 to all members of the Board of Directors for every meeting attended. Further, members of the Board of Directors will be receiving quarterly remunerations as well.

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

The above executive officers are covered by contracts with the Company stating therein their respective job functionalities, among others, except for the VP for Banking and Business Development which is under a consultancy contract. Below is a brief description of their contracts with the Company:

Romolo V. Nati,
CEO

The CEO is responsible for leading the development and execution of the Company's long-term strategy with a view to creating shareholder value. The CEO's leadership role also entails being ultimately responsible for all day-to-day management of the Company and communicates to the Board on behalf of management. The CEO also communicates on behalf of the Company to shareholders, employees, Government authorities, other stakeholders and the public.

As part of his employment contract with the Company, the CEO is receiving bi-monthly salary, allowances, health card, vacation and sick leave credits, and 13th month pay.

Jose D. Leviste III
President

The President is responsible for partnering with the Executive leadership team to execute company strategies for the real estate, construction and maintenance programs and teams. This person will lead the team into expansion by obtaining new sites as well as managing the company's existing real estate portfolio. This individual will manage all real estate deal making, lease administration, landlord relationships, construction, remodeling program, and maintenance of all company real estate assets.

As part of his employment contract with the Company, the president is receiving bi-monthly salary, allowances, health card, vacation and sick leave credits, and 13th month pay.

Mary Ann B. Lopez
Vice President and Head of Finance and Accounting

The VP and Head of Finance and Accounting is responsible for the development of the financial and operational strategies of the company, metrics tied to that strategies and the on-going development, monitoring of control systems designed to preserve company assets and reports accurate financial results.

As part of her employment contract with the Company, the VP and Head of Finance and Accounting is receiving bi-monthly salary, de minimis, allowances, health card, vacation and sick leave credits, and 13th month pay.

Giuseppe Garofalo
Project Director – Design and Engineering

The Project Director is responsible for the planning, directing, coordinating budgeting and supervision of the construction project from early development to completion. It is usually through subordinate supervisory personnel, activities concerned with the construction and maintenance of structures, facilities, and systems.

As part of his employment contract with the Company, the Project Director for Design and Engineering is receiving bi-monthly salary, de minimis, allowances, health card, vacation and sick leave credits, bonuses, and 13th month pay.

Gladys M. Echano
Sales Director – Primavera Sales Office

The Sales Director leads and drives implementation of the Sales Management operating model. Oversees business development process and strategy, identification and qualification of opportunities, the assignment of individuals to pursuit teams, broker debriefs, execution of business plans and coordination of geographic and line of sales efforts. Partners with local, regional and national geographic and line business leaders including Sales Management leadership to attract, develop and retain a highly effective sales force to achieve organic growth and market share gains.

As part of her employment contract with the Company, the Sales Director for Primavera Sales Office is receiving bi-monthly salary, de minimis, allowances, health card, vacation and sick leave credits, sales commissions, and 13th month pay.

Maria Aleli Villacorte

Sales and Marketing Director – Miramonti

The Sales and Marketing Director is responsible for the long term sales and marketing strategy of the company. She oversees all communications, public relations and promotional activities to support the sales and marketing strategy.

As part of her employment contract with the Company, the Sales Director for Primavera Sales Office is receiving bi-monthly salary, de minimis, allowances, health card, vacation and sick leave credits, sales commissions, and 13th month pay.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS

All existing key executives of the Company have existing employment contracts as far as remunerations are concerned.

WARRANTS AND OPTIONS OUTSTANDING

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

REGULATORY FRAMEWORK

Presidential Decree No. 957, otherwise known as The Subdivision and Condominium Buyer's Protective Decree ("P.D. 957"), and Batas Pambansa Bldg. 220 ("B.P. 220"), as amended, are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision.

P.D. 957 and B.P. 220 cover subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes, and condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units ("LGUs"), enforces these decrees and has jurisdiction to regulate the real estate trade and business. All subdivision and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the pertinent LGU of the area in which the project is situated. The development of subdivision and condominium projects can commence only after the LGU has issued the development permit.

The issuance of a development permit is dependent on, among others (i) compliance with required project standards and technical requirements which may differ depending on the nature of the project, and (ii) issuance of the barangay clearance, the HLURB locational clearance, DENR permits, and, as applicable, DAR conversion or exemption orders as discussed below. A bond equivalent to 10% of the total project cost is required to be posted by the project developer to ensure commencement of the project within one year from the issuance of the development permit.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the HLURB and the written conformity or consent of the duly organized homeowner's association, or in the absence of the latter, by the majority of the lot buyers in the subdivision. No real estate dealer, broker, salesman shall engage in the business of selling subdivision lots or condominium units unless he has registered himself. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon complaint from an interested party for reasons such as insolvency or violation of any of the provisions of P.D. 957. Under P.D. 957, upon a verified complaint by a buyer of a subdivision lot or a condominium unit or any interested party, the HLURB, may, in its discretion, immediately suspend the owner's or dealer's license to sell pending investigation and hearing of the case. The HLURB may *motu proprio* suspend the license to sell if, in its opinion, any information in the registration statement filed by the owner or dealer is or has become misleading, incorrect, inadequate or incomplete or the sale or offering for a sale of the subdivision or condominium project may work or tend to work a fraud upon prospective buyers. The HLURB may, *motu proprio* or upon a verified complaint filed by a buyer of a subdivision lot or condominium unit, revoke the registration of any subdivision project or condominium project and the license to sell any subdivision lot or condominium unit in said project by issuing an order to this effect, with his findings in respect thereto, if upon examination into the affairs of the owner or dealer during a hearing, it shall appear there is satisfactory evidence that the said owner or dealer: (a) is insolvent; or (b) has violated any of the provisions of P.D. 957 or any applicable rule or regulation of the HLURB, or any undertaking of his/its performance bond; or (c) has been or is engaged or is about to engage in fraudulent transactions; or (d) has made any misrepresentation in any Prospectus, brochure, circular or other literature about the subdivision project or condominium project that has been distributed to prospective buyers; or (e) is of bad business repute; or (f) does not conduct his business in accordance with law or sound business principles.

Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance by the owner or dealer with the applicable laws and regulations.

Subdivision Projects

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at Economic and Socialized Housing, must comply with B.P. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with P.D. 957, which sets out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision with an area of one hectare or more and covered by P.D. 957 is required to reserve at least 30% of the gross land area of such subdivision, which shall be non-saleable, for open space for common uses, which include roads and recreational facilities. A developer of a subdivision is required to reserve at least 3.5% of the gross project area for parks and playgrounds.

Republic Act No. 7279, otherwise known as the Urban Development and Housing Act, as amended, further requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standards set by the HLURB and other existing laws. To comply with this requirement, the developers may choose to develop for socialized housing an area equal to 20% of the total area of the main subdivision project or allocate and invest an amount equal to 20% of the main subdivision total project cost, which shall include the cost of the land and its development as well as the cost of housing structures therein, or they may engage in development of a new settlement through purchase of socialized housing bonds, slum upgrading, participation in a community mortgage program, the undertaking of joint-venture projects and the building of a large socialized housing project to build a credit balance.

Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects are eligible for government incentives subject to certain policies and guidelines.

Republic Act No. 6552, otherwise known as the Realty Installment Buyer Act (the "Maceda Law"), applies to all transactions or contracts involving the sale or financing of real estate through installment payments, including residential condominium units. Under the Maceda Law, buyers who have paid at least two years of installment are granted a grace period of one month for every year of paid installment to cure any payment default. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installment have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installment and who default on installment payments are given a 60-day grace period to pay all unpaid installment before the sale can be cancelled, but without right of refund.

In addition to the foregoing, the buyer shall have the right to sell his rights or assign the same to another person or to reinstate the contract by updating the account during the grace period and before actual cancellation of the contract. The deed of sale or assignment shall be done by notarial act. The buyer also has the right to pay in advance any installment or the full unpaid balance of the purchase price any time without interest and to have such full payment of the purchase price annotated in the certificate of title covering the property.

Condominium Projects

Republic Act No. 4726, otherwise known as The Condominium Act ("R.A. No. 4726"), as amended, likewise regulates the development and sale of condominium projects. R.A. No. 4726 requires the annotation of the master deed on the title of the land on which the condominium project shall be located. The master deed contains the following:

- a) Description of the land on which the building or buildings and improvements are or are to be located;

- b) Description of the building or buildings, stating the number of stories and basements, the number of units and their accessories, if any;
- c) Description of the common areas and facilities;
- d) A statement of the exact nature of the interest acquired or to be acquired by the purchaser in the separate units and in the common areas of the condominium project. Where title to or the appurtenant interests in the common areas is or is to be held by a condominium corporation, a statement to this effect shall be included;
- e) Statement of the purposes for which the building or buildings and each of the units are intended or restricted as to use;
- f) A certificate of the registered owner of the property, if he is other than those executing the master deed, as well as of all registered holders of any lien or encumbrance on the property, that they consent to the registration of the deed;
- g) The following plans shall be appended to the deed as integral parts thereof:
 - 1) A survey plan of the land included in the project, unless a survey plan of the same property had previously been filed in said office;
 - 2) A diagrammatic floor plan of the building or buildings in the project, in sufficient detail to identify each unit, its relative location and approximate dimensions;
- h) Any reasonable restriction not contrary to law, morals or public policy regarding the right of any condominium owner to alienate or dispose of his condominium.

A condominium project may be managed by a condominium corporation, an association, a board of governors or a management agent, depending on what is provided in the declaration of restrictions of the condominium project. However, whenever the common areas are held by a condominium corporation, such corporation shall constitute the management body of the project.

HOME DEVELOPMENT MUTUAL FUND OR THE PAG-IBIG FUND

The Home Development Mutual Fund, more popularly known as the Pag-IBIG Fund ("Pag-IBIG"), was established on June 11, 1978 by virtue of Presidential Decree No. 1530 to provide a national savings program and affordable shelter financing for Filipino workers. Pag-IBIG is a mutual provident savings system for private and government employees and other earning groups, supported by matching mandatory contributions of their respective employers with housing as the primary investment. Pag-IBIG is statutorily mandated to provide financial assistance for the housing requirements of its members and allot not less than 70% of its investible funds for deployment of housing loans to Qualified Institutional Buyers.

At the time that Home Development Mutual Fund was established, the funds contributed by private employees and government employees were administered separately by the Social Security System ("SSS") and the Government Service Insurance System ("GSIS"). Less than a year after its establishment or on March 1, 1979, Executive Order No. 527 was passed directing the transfer of the administration of HDMF to the National Home Mortgage Finance Corporation ("NHMFC"). Executive Order No. 538 which was issued on June 4, 1979 merged the funds for private and government personnel into what is now known as the Pag-IBIG Fund.

With the signing of P.D. 1752 on December 14, 1980, Pag-IBIG was made independent from the NHMFC and was made a body corporate with its own board of trustees. Executive Order No. 90 passed on January 1, 1987 made membership to Pag-IBIG voluntary. This was subsequently amended by Republic Act 7742 on June 17, 1994, which made membership to Pag-IBIG mandatory to all employees covered by SSS and GSIS. On July 21, 2009, Republic Act No. 9679 or the Home Development Mutual Fund Law of 2009 further strengthened Pag-IBIG by making membership thereof mandatory for all Filipino employees including Filipinos employed by foreign-based employers, uniformed personnel and the self-employed.

Pag-IBIG's 2013 Accomplishment Report indicates that as of 2013, membership in the fund stood at 13.5 million. In the last 12 months, Pag-IBIG membership grew by 1.4 million members from the 2012 yearend level.

Among the benefits of membership, Pag-IBIG members may avail of housing loans to finance the purchase of a fully developed lot not exceeding 1,000 square meters and to construct a residential unit thereon or to purchase a residential unit, whether old or new, with home improvement. The housing loan proceeds may also be used to refinance an existing housing loan with an institution acceptable to

Pag-IBIG, provided that, the account reflects a perfect repayment history for at least one (1) year prior to date of application, as supported by the borrower's official receipts.

To qualify for a Pag-IBIG housing loan, a member must not be more than sixty-five (65) years old at the date of loan application nor more than seventy (70) years old at loan maturity. Further, said member must have been a member under Pag-IBIG Membership Program for at least twenty-four (24) months, as evidenced by the remittance of at least twenty-four (24) monthly mandatory savings at the time of loan application. A new member who wishes to apply for a housing loan is allowed to pay in lump sum the required twenty-four monthly mandatory savings. Similarly, members with less than twenty-four (24) mandatory savings may pay their monthly mandatory savings for the succeeding months in lump sum to be eligible for a housing loan.

A qualified Pag-IBIG member may borrow up to a maximum amount of Six Million Pesos (PHP6,000,000.00), depending on the member's actual need, his loan entitlement based on gross monthly income, his loan entitlement based on capacity to pay, and the loan-to-appraisal value ratio, whichever is lower. The housing loans are charged with interest rates based on Pag-IBIG's pricing framework. Said interest rates are re-priced periodically depending on the chosen re-pricing period of the borrower whether it is after every three (3), five (5), ten (10) or fifteen (15) years. Members are allowed a maximum repayment period for the loan of thirty (30) years.

Pag-IBIG's 2013 Accomplishment Report indicates that a total of ₱46.6 billion was approved for disbursement to finance 63,148 new homes for Pag-IBIG members across the Philippines for 2013. There are two (2) modes of applying for a Pag-IBIG housing loan: (i) Retail – wherein the member applies directly to the Fund for his/her housing loan application; or (ii) Developer-Assisted – wherein the developer assists the member in his/her housing loan application.

The Developer-Assisted mode of application is in line with Pag-IBIG's objectives to fast track the government's housing program by providing an express take-out window for Pag-IBIG-accredited developers, as well as to enhance the asset quality of the Pag-IBIG's mortgage loan portfolio. Through this scheme, developers deliver housing loan applications to Pag-IBIG which are secured by Contracts to Sell ("CTS") or Real Estate Mortgage ("REM") on the residential property to which the loan proceeds are applied.

The developer receives, evaluates, pre-processes and approves the housing loan applications of Pag-IBIG's member borrowers in accordance with the applicable guidelines set by Pag-IBIG for housing loan programs. For applications secured by CTS, the developer executes a Contract-to-Sell with the Pag-IBIG member to cover the purchase of the residential property or lot to be used as collateral for the Pag-IBIG housing loan. With the conformity of the borrower, the developer then executes a Deed of Assignment assigning the CTS in favor of Pag-IBIG, which shall be annotated in the title of the property. The developer is then required to convert the security of eligible accounts from CTS to REM not later than the 24th month from date of loan takeout. For applications secured by REM, the developer is responsible for the annotation of the Loan and Mortgage Agreement on the individual Transfer Certificate of Title covering the house and lot units subject of the loan with the appropriate Register of Deeds and deliver the complete mortgage folders to Pag-IBIG.

Pag-IBIG can process and release the takeout proceeds due the developer within seven (7) working days from the date of submission of the all the Pag-IBIG required documents.

BOARD OF INVESTMENTS

The Board of Investments ("BOI"), an agency under the Department of Trade and Industry, is the lead investments promotion agency of the Philippines. The agency is designed to promote inward investments and assist local and foreign investors in their venture of the desirable areas of business, defined in the annually-prepared Investment Priorities Plan ("IPP"). Under Executive Order No. 226, otherwise known as the Omnibus Investment Code of 1987, as amended, the BOI is mandated to encourage investments through tax exemption and other benefits in preferred areas of economic activity specified by the BOI in the IPP. The IPP, formulated annually by the BOI, through an inter-agency committee, and approved by the President, lists the priority activities for investments. It contains a listing of specific activities that can qualify for incentives.

A Filipino enterprise can register their activity with the BOI if their project is listed as a preferred project in the current IPP. Said enterprise may engage in domestic-oriented activities listed in the IPP whether classified as pioneer or non-pioneer. However, an activity which is not listed, may also be entitled to incentives if the following conditions are met: (i) At least 50% of the production is for export (for 60% Filipino-40% Foreign-owned enterprises); or (ii) At least 70% of production is for export (for more than 40% foreign-owned enterprises).

Mass housing infrastructure projects has been part of the IPP of the BOI since year 2000. For 2013, a mass housing project must meet the following requirements to be eligible for registration: (i) the selling price of each housing unit shall be more than Four Hundred Fifty Thousand Pesos (PHP450,000.00) but not exceeding Three Million Pesos (PHP3,000,000.00); (ii) the project must be a new or expanding low-cost Mass Housing project; (iii) the project must conform with the design standards set forth in B.P. 220 and P.D. 957; and (iv) the project must comply with the socialized housing requirement of R.A. 7279. Furthermore, compliance with socialized housing requirement must be completed within the income tax holiday availment period and should be proportionate to the number of low cost housing units being applied for the income tax holiday for the taxable year.

Generally, BOI-registered enterprises are exempt from payment of the income taxes depending on the project's status as follows: (i) six (6) years for new projects with a pioneer status; (ii) four (4) years for new projects with a non-pioneer status; (iii) three (3) years for expansion projects; and (iv) six years for new or expansion projects in less developed areas. However, eligible mass housing projects in the National Capital Region and Metro Cebu are entitled to only three (3) years of income tax holiday.

BOI-registered enterprises also enjoy taxes and duties exemption on imported spare parts, as well as an exemption on wharfage dues and export tax. Other fiscal incentives include (i) reduced duty rates on capital equipment, spare parts, and accessories; (ii) tax credits on domestic breeding stocks, genetic material, raw materials, and supplies; and (iii) additional deductions from taxable income on labor expense as well as necessary and major infrastructure work. BOI-registered enterprises are also entitled to other non-fiscal incentives such as the employment of foreign nationals, streamlined customs procedures, and the importation of consigned equipment.

ZONING AND LAND USE

Land use may be also limited by zoning ordinances enacted by LGUs. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant LGU. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

SPECIAL ECONOMIC ZONE

PEZA is a Government corporation that operates, administers and manages designated special economic zones ("Ecozones") around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the Government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA-registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty free importation of equipment, machinery and raw materials.

ENVIRONMENTAL LAWS

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain ECC prior to commencement. The DENR, through its regional offices or through the Environmental Management Bureau ("EMB"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite

for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("EIS") to the EMB while a project in an environmentally critical area are generally required to submit an Initial Environmental Examination ("IEE") to the proper DENR regional office. In case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the projects' environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The ECC is a Government certification, that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase. The ECC also provides for other terms and conditions, any violation of which would result in a fine or the cancellation of the ECC.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF is intended to answer for damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations. Aside from EIS and IEE, engineering, geological, and geo-hazard assessments are also required for ECC applications covering subdivisions, housing, and other development and infrastructure projects.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

The Company incurs expenses for the purposes of complying with environmental laws that consist primarily of payments for Government regulatory fees. Such fees are standard in the industry and are minimal.

Discharge Permit

Those who shall discharge liquid waste into the Laguna de Bay Region shall secure a discharge permit from the Laguna Lake Development Authority ("LLDA"). The discharge permit is valid for the period specified therein, for a normal period of one year from the date of issuance, unless for a limited period or suspended sooner or revoked, and is subject to renewal.

In case of any written opposition to the application for such permit, a public hearing on the application shall be conducted. In such an event, the permit may only be issued after the conduct of a public hearing, upon compliance by the proponent of the conditions of the permit and submission of a performance bond or any guarantee which will answer for any future environmental damage. If the application is disapproved, a petition for reconsideration may be filed by the applicant.

The discharge permit shall be issued subject to conditions such as but not limited to:

- payment of user fees for the use of the lake or its tributary rivers and streams as a receiving water body for wastewater discharges;
- compliance to water quality standards; and
- monitoring and data collection requirements which will inform the Authority regarding the dynamic condition of the lake, and will form the basis for future permit modifications.

After due notice and hearing, the permit may be suspended or revoked on any of the following grounds:

- non-compliance with, or violation of any provisions of Republic Act No. 4850 as amended, PD 984 or its implementing rules and regulations particularly the water quality standards, and/or permit conditions;
- false or inaccurate information stated in the application for permit which led the LLDA to issue the permit;
- refusal to allow lawful inspections;
- non-payment of user fees due in accordance with the schedule of fees and payment scheme as provided for under the rules and/or permit conditions;
- other lawful and valid causes as provided for in these rules and regulations.

Philippine Clean Air Act

Republic Act No. 8749, otherwise known as the Philippine Clean Air Act of 1999 ("RA 8749") provides that each source emitting regulated air pollutants must obtain a permit to operate to be issued by the EMB. The permit shall be issued or renewed every year subject to such conditions as the Department through the Bureau may deem reasonable to impose, and upon payment of the permit fees for air pollution source and control facilities.

In case the application is denied, the applicant may file a written petition for reconsideration.

After due notice and hearing, the permit may be suspended or revoked on any of the following grounds:

- non-compliance with, or violation of any provision of RA 8749, its implementing rules and regulations, and/or permit conditions;
- false or inaccurate information in the application for permit that led to the issuance of the permit;
- refusal to allow lawful inspection conducted by duly authorized personnel of the EMB;
- non-payment of the appropriate fees;
- other valid purposes.

Philippine Clean Water Act

Republic Act No. 9275, otherwise known as the Philippine Clean Water Act of 2004 ("RA 9275"), requires owners or operators of facilities that discharge regulated effluents to secure a permit from the EMB to discharge wastewater. The discharge permit shall specify among others, the quantity and quality of effluent that said facilities are allowed to discharge into a particular water body, compliance schedule and monitoring requirement. Moreover, the EMB shall withhold permits or refuse issuance of ECC for establishments that fail to connect their sewage lines to available sewerage system as required herein.

The discharge permit shall be valid for a maximum period of five years from the date of its issuance, renewable for five-year periods. The EMB may, however, renew the discharge permit valid for a longer period if the applicant has adopted waste minimization and waste treatment technologies, consistent with incentives currently provided and has been paying the permit fees on time.

In case the application is denied a motion for reconsideration may be filed.

After due notice and hearing, the discharge permit may be suspended or revoked on any of the following grounds:

- non-compliance with or gross violation of any provision of the Act, these rules and regulations and/or permit conditions;

- deliberate or negligent submission of false information in the application for permit that led to the issuance of the permit;
- deliberate or negligent submission of false monitoring data or report required in the discharge permit.
- refusal to allow lawful inspection conducted by the duly authorized personnel of the EMB;
- non-payment of the appropriate wastewater discharge fees within a 30-day cure period from the date such payment is due;
- other grounds provided by law.

PROPERTY REGISTRATION

The Philippines has adopted a system of land registration which conclusively confirms land ownership which is binding on all persons, including the Government. Once registered, title to registered land can no longer be challenged except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper surveying, application, publication and service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals or the Supreme Court. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration. Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents such as homestead, sales and free patents, must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer of encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new Transfer Certificate of Title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

All documents evidencing conveyances of subdivision and condominium units should also be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the purchase price. Any mortgage existing thereon must be released within six months from the delivery of title. To evidence ownership of condominium units, a Condominium Certificate of Title is issued by the Register of Deeds.

NATIONALITY RESTRICTIONS

The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to corporations the outstanding capital stock of which is at least 60% owned by Philippine Nationals. The term "Philippine National" as defined under R.A. No. 7042, as amended, shall mean a citizen of the Philippines, a domestic partnership or association wholly-owned by citizens of the Philippines or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines under the Philippine Corporation Code of which 60% of the capital stock outstanding and entitled to vote is wholly-owned by Filipino or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.

While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%.

Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991, and the Ninth Regular Foreign Investment Negative List, provide that certain activities are nationalized or partly-nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under these regulations, and in accordance with the Philippine Constitution, ownership of private lands is partly-nationalized and thus, landholding companies may only have a maximum of 40% foreign equity.

PROPERTY TAXATION

Real property taxes are payable annually based on the property's assessed value. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. An additional special education fund tax of 1% of the assessed value of the property is also levied annually.

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DATA PRIVACY

Data Privacy Act

Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012 ("RA 10173") provides that the government recognizes its inherent obligation to ensure that personal information in information and communications systems in the government and in the private sector are secured and protected.

The processing of sensitive personal information and privileged information shall be prohibited, except in the following cases:

- the data subject has given his or her consent;
- the processing of personal information is necessary and is related to the fulfillment of a contract with the data subject or in order to take steps at the request of the data subject prior to entering into a contract;
- the processing is necessary for compliance with a legal obligation to which the personal information controller is subject;
- the processing is necessary to protect vitally important interests of the data subject, including life and health;
- the processing is necessary in order to respond to national emergency, to comply with the requirements of public order and safety, or to fulfill functions of public authority which necessarily includes the processing of personal data for the fulfillment of its mandate; or
- the processing is necessary for the purposes of the legitimate interests pursued by the personal information controller or by a third party or parties to whom the data is disclosed, except where such interests are overridden by fundamental rights and freedoms of the data subject which require protection under the Philippine Constitution.

The processing of personal information shall be allowed, subject to compliance with certain requirements provided in the Data Privacy Act and other laws allowing disclosure of information to the public and adherence to the principles of transparency, legitimate purpose and proportionality. Furthermore, a personal information controller must ensure implementation of personal information processing principles set out in the Data Privacy Act.

The following acts shall be subject to penalty of imprisonment and a fine:

- the unauthorized processing of personal information;
- accessing personal information due to negligence;
- the improper disposal of sensitive personal information;
- the processing of sensitive personal information for unauthorized purposes;
- knowingly and unlawfully, or violating data confidentiality and security data systems, breaks in any way into any system where personal and sensitive personal information is stored;
- after having knowledge of a security breach and of the obligation to notify the Commission intentionally or by omission conceals the fact of such security breach;
- any personal information controller or personal information processor or any of its officials, employees or agents, who, with malice or in bad faith, discloses unwarranted or false information relative to any personal information or personal sensitive information obtained by him or her.

ANTI TRUST LAWS

Philippine Competition Act

Pursuant to the provisions of the Philippine Competition Act and its Implementing Rules, parties to an acquisition are required to provide notification to the Philippine Competition Commission ("PCC") when:

- the aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity ("UPE") of at least one of the acquiring or acquired entities, including that of all entities that the UPE controls, directly or indirectly, exceeds PhP5,600,000,000.00; and
- the value of the transaction exceeds PhP2,200,000,000.00. The value of the transaction with respect to a proposed merger or acquisition of assets in the Philippines, shall be based either on the aggregate value of the assets in the Philippines being acquired or the gross revenues generated in the Philippines by assets acquired in the Philippines.

For purposes of calculating notification thresholds, the aggregate value of assets in the Philippines shall be as stated on the last regularly prepared balance sheet or the most recent audited financial statements in which those assets are accounted for. The gross revenues from sales of an entity shall be the amount stated on the last regularly prepared annual statement of income and expense of that entity.

A transaction that meets the thresholds and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of 1% to 5% of the value of the transaction.

The parties to the merger or acquisition must submit a notification form to PCC prior to the execution of any definitive agreement. Upon submission of the Form, the PCC shall determine within 15 days whether the Form and other relevant requirements have been completed in accordance with applicable rules or guidelines, and shall inform the parties of other information and/or documents it may have failed to supply, or issue a notice to the parties that the notification is sufficient for purposes of commencing Phase I review of the merger or acquisition.

Within 30 days from commencing Phase I review, the PCC shall, if necessary, inform the parties of the need for a more comprehensive and detailed analysis of the merger or acquisition under a Phase II review, and request other information and/or documents that are relevant to its review. The issuance of such request has the effect of extending the period within which the agreement may not be consummated for an additional 60 days. The additional 60-day period shall begin on the day after the request for information is received by the parties; provided, that, in no case shall the total period for review by the PCC of the subject agreement exceed 90 days from the time the initial notification by the parties is deemed complete; provided further, that should the parties fail to provide the requested information within 15 days from receipt of the said request, the notification shall be deemed expired and the parties must refile their notification. Alternatively, should the parties wish to submit the requested information beyond the 15-day period, the parties may request for an extension of time within which to comply with the request for additional information, in which case, the period for review shall be correspondingly extended.

The parties to a proposed transaction under review shall inform the PCC of any substantial modifications to the transaction. On the basis of the information provided, the PCC shall determine if a new notification is required. Where notification of a transaction is not required, then the periods provided above for the PCC to conclude its review shall not apply.

When the aforementioned periods have expired and no decision has been promulgated for whatever reason, the merger or acquisition shall be deemed approved and the parties may proceed to implement or consummate it.

DESCRIPTION OF PROPERTIES

As of the date of this Prospectus, the Company owns several real estate properties as described below. The Company has under its name the land titles for the project Primavera Residences and Primavera City Phase 1, both located in Bgy. Upper Carmen, Cagayan de Oro City. Also, the land title of Miramonti Phase 1 located at Bgy. San Rafael, Sto. Tomas, Batangas is already in the name of IDC.

With regards to the other lots allotted for Primavera City Phases 2, 3 and 4, the company has secured the Deeds of Absolute Sale for Lots 4 and 5 and has entered into Contracts to Sell for Lots 1, 2 and 3 with PODC. The transfer of title for Lots 4 and 5 is in process as of June 30, 2019. The present owner of the lots 4 and 5 is PODC. Under the Contracts to Sell for Lots 1, 2 and 3, the respective titles will be transferred to the Company pending the completion of the amortization of payments. As of June 30, 2019, amount of outstanding balance for Lot 1, 2, and 3 are PhP8.40 million, PhP13.94 million, and PhP13.94 million, respectively. For the site of Miramonti Phase 2 lot in Sto. Tomas, the property is under the name of RFM Science Park of the Philippines, Inc. but with an Agreement with right of first refusal.

The Company also owns two intellectual property rights in its favor, which are registered with the Intellectual Property Office of the Philippines.

REAL PROPERTIES

Primavera Residences

The land for Primavera Residences Tower A is a 1,125 square meter property with TCT number 137-2011000850, located at Barangay of Upper Carmen Cagayan de Oro City, Island of Mindanao, Philippines. This property was acquired from PODC at a total contract price of PHP13,227,213.00 which was fully paid last 26 January 2011. The land title was used as collateral to secure the Company's development loan with LandBank. The liens and encumbrances on the land has been cancelled since the development loan with Land bank has been fully paid on March, 2015.

The land for Primavera Residences Tower B is a 1,126 square meter property with TCT number 137-2013000753, located at Barangay of Upper Carmen Cagayan de Oro City, Island of Mindanao, Philippines. This property was acquired from PODC at a total contract price of PHP13,238,970.21, which was fully paid last 08 February 2013. The land title was used to secure the Company's developmental loan with Bank of Philippine Islands (BPI). The liens and encumbrances on the land has been cancelled since the development loan with BPI has been fully paid on April 2017.

Primavera Residences Towers A and B have been finished and delivered.

Primavera City

The land for Primavera City project Phases 1, 2, 3 and 4 consists of seven (7) lots with a total area of 6,558 square meters. The property is located at Macapagal corner Masterson Avenue, Pueblo de Oro Business Park, Bgy. Upper Carmen, Cagayan de Oro City, Island of Mindanao under the name of PODC. The Deeds of Absolute Sale has been secured for two lots (lots 4 and 5) while Contracts to Sell have been entered into by the Company for three lots covering 4,684 sqm. (lots 1, 2, and 3). The land for lots 6 and 7, allocated as the site for Primavera City Phase 1 – Towers A and B, has been fully paid by IDC and the title is already under the name of Itaipinas Development Corporation.

The land for Primavera City Tower A is a 937 square meter property pertaining to Lot 7, Block 20 with TCT number 137-2016001714 in the name of IDC has been issued by the Registry of Deeds on April 8, 2018. Similarly, the land title for Primavera City Tower B is a 937 square meter property pertaining to Lot 6, Block 20 with TCT number 137-2016001800 has been issued by ROD on April 8, 2016. Both properties are located at Barangay of Upper Carmen Cagayan de Oro City, Island of Mindanao, Philippines. The two properties were acquired from PODC at a total contract price of PHP24,616,208.10.

Primavera City is a complex of mixed-use residential and commercial buildings composed of seven (7) towers. The construction will be divided into four (4) phases, of which, Primavera City Phase one (1) is

slated for 100% completion and ready for occupancy by 1Q 2020. As of 30 June 2019, Primavera City Phase 1 is 90% completed. The total construction cost of Primavera City Phase 1 is partially financed by a P350 million development loan from the Development Bank of the Philippines ("DBP"), collateralized by lot 6 and 7 with CTC numbers 137-2016001714 and 137-2016001800.

Miramonti



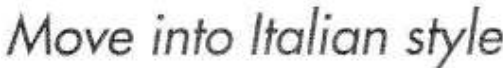
The total land area for the Miramonti project which is to be developed in two phases is a 7,404 square meter commercial/residential property located at Millenium Drive, Light Industry Science Park III, San Rafael, Municipality of Sto. Tomas, Province of Batangas.

The land identified as Lot 1-A-3 allocated for the Miramonti Phase 1 comprising of 2,057 square meters has been fully paid by IDC. The title bearing TCT No. 056-2017001498 has been transferred in favor of IDC by Register of Deeds, Tanauan on March 23, 2017. The land was acquired from RFM.

The second commercial/residential lot with an area of 5,347 square meters identified as Lot 1 of Block 3A will be the site of the prospective Miramonti Phase 2. The company has a right of first refusal over this lot with the land owner, RFM. The company is currently in process of securing the Contract to Sell on this property subject to final arrangements on the sale with the owner.

INTELLECTUAL PROPERTIES

The Company owns intellectual properties that are registered with the Intellectual Property Office of the Philippines. Below is a summary of the intellectual properties registered under the Company:

TRADEMARK	Registration	Term
 IDC ITALPINAS DEVELOPMENT CORPORATION	Registration No. 4/2015/00504687 25 Aug 2016	10 years Until 25 Aug 2026
 IDC	Registration No. 4/2016/00503037 10 Nov 2016	10 years 10 Nov 2026
 Move into Italian Style	Registration No. 4/2016/00502899 10 Nov 2016	10 years 10 Nov 2026

Living by design Living by Design	Registration No. 4/2015/00504770 22 Sep 2016	10 years 22 Sep 2026
 Primavera City	Registration No. 4/2016/00502079 22 Sep 2016	10 years 22 Sep 2026
MIRAMONTI Miramonti	Registration No. 4/2016/00503226 22 Sep 2016	10 years 22 Sep 2026
 Miramonti	Registration No. 4/2017/00004603 14 Sep 2017	10 years 14 Sep 2027
MIRAMARE Miramare	Registration No. 4/2016/00503227 22 Sep 2016	10 years 22 Sep 2026

LEASED PROPERTY

The Company uses a 189 square meter office space located at Unit 28C BPI Philamlife Building, 6811 Ayala Ave., Makati City, as its head office. This property is owned by Terrace 28 Corporation. The lease is for a duration of three (3) years until February 2021 with option to renew 60 days prior to the expiry of the lease contract.

LEGAL PROCEEDINGS ON PROPERTIES

As of date of this Prospectus, the Company or any of its subsidiaries or affiliates has not been a party to nor any of the Company's properties have been subject to any pending material litigation, arbitration or other legal proceeding, and no litigation or claim of material importance is known to the management and the directors to be threatened against the Company or any of its subsidiaries, affiliates or any of its properties.

FUTURE PROSPECTS

As discussed previously, through a combination of qualitative and quantitative market studies, the Company has identified potential areas for its future developments in Southern Luzon & Visayas.

INDUSTRY OVERVIEW

ECONOMIC PROFILE

The Philippine economy expects moderate growth for the next two years and is one of the Southeast Asian countries slated to beat its previous year-on-year growth. According to data from the World Bank, the Philippines has maintained the annual GDP growth rates 6.06%, 6.87%, and 6.68% in 2015, 2016, and 2017, respectively. GDP for 2019 is expected to have a year-on-year growth of 6.4%, a modest improvement over 2018's 6.2%, which was driven by the services sector which posted the highest share to GDP of 56.2%, followed by Industry at 34.8%, and Agriculture, Hunting, Forestry and Fishing at 8.9%. Among the major economic sectors in the fourth quarter of 2018, Industry grew the fastest at 6.9%, mainly attributed to Construction sector which expanded by 21.3%. The Service sector came in next with 6.3%, while the Agriculture sector grew by 1.7%. The World Bank sees the Philippine economy continuing to expand at the rate of 6.6% by 2020. This maintained growth is expected to translate to increased income for Filipinos, which should strengthen their purchasing power.

In the recent periods, the rising inflation, interest rate, the Philippine peso depreciation were some of the headwinds experienced by the economy. Despite these, the Philippines managed to sustain its growth fueled with the favorable performance of construction, manufacturing, trade and services sectors. Overseas Filipino remittances continued to increase 2.5% year on year reaching more than USD 21.3 billion in 2018.

Table 1: Selected Socio-Economic Indicators and Estimated Market Value of the Real Estate Industry in RP as of 2015⁸

(in PhP)	2015
GDP per Capita	131,926
Average Income	267,000
Average Expenditure	215,000
Average Savings	52,000
Allotment for Housing	12.2%
Average No. of Households	22,975,630
Estimated Market Value ⁹	602,650,774,900

THE PHILIPPINE REAL ESTATE INDUSTRY

The Real Estate industry in the Philippines remains strong and full of potential. Though the country's growth is projected to be modest in the next two years, the Philippines is one of the few countries expected to post higher growth in 2019 than last year. The commitment of the government in building infrastructure projects across the country through the Build Build Build (BBB) Program is seen to spur the disbursement of property development countrywide, both in urban areas and in the countryside.

The growth of the real estate market industry in the Philippines can primarily be attributed to the rising demand for residential and commercial properties. There are various factors that drives the steady growth or demand of these properties. Among the most common growth drivers of the industry are the remittances from Overseas Filipino Workers (OFW's), rising urban population, growing middle class, and increasing foreign investors. Moreover, in the recent past years, there emerged a number of growth drivers for the real estate industry which includes the internet penetration, the growth of the young professionals, surge of tourists and infrastructure development in the country. Additionally, both business and knowledge process outsourcing firms were the prime drivers of leasing in 2018, and this trend will follow in 2019 thanks to the demand from these occupiers and flexible workspace operators.

The Philippines' residential property market continues to perform well, thanks to the country's resilient economic growth. Nationwide house prices grew at a steady pace. In 3Q 2018, the residential real estate price index rose by 4.4% according to the BSP. Breaking the index further, condominium units,

⁸ Source: *Philippine Statistics Authority*. (n.d.). Retrieved May 10, 2019, from Philippine Statistics Auth: http://www.nscb.gov.ph/secstat/d_income.asp

⁹ Average Expenditure x Allotment for Housing x Average # of HH

single detached houses, duplex houses, and town houses saw year-on-year growths of 5.8%, 0.2%, 30.7%, and 18.3% respectively.

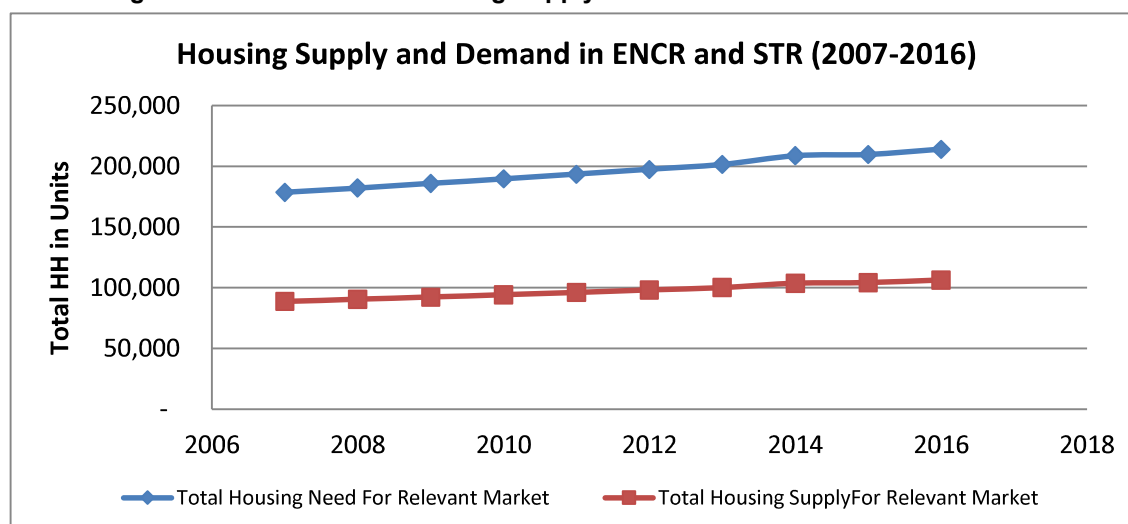
However, examining key areas in the NCR reveals more unrestrained growth. From 2010 to 2018, Makati CBD property prices have risen by almost 132%. In the fourth quarter of 2018, condominium prices in Makati CBD increased 5.02%. In Rockwell Center, the average price for a 3-bedroom condominium rose by 10.6%. In Fort Bonifacio, the average price for the same increased by 11.3%. In Metro Manila, residential property prices rose by 6.8% on the third quarter of 2018. Outside the NCR, the price growth slows down to 2.2%.

Latest available figures show that the estimated housing need nationwide in 2016 was 686,484 for both residential (92%) and non-residential (8%) household (HH) units. 15% of the residential units and 16% of the non-residential units are estimated to be needed in the Southern Tagalog Region (STR) while 17% is allocated to Expanded National Capital Region (ENCR) (See *Table 2 below*). Of the total housing needed, an average of 49.7% is supplied giving the relevant market a total housing supply forecast of 103,785 and expected to grow annually by 2% (See *Figure 1 below*).

Table 2: Computation of Housing Needs by Type and Place (2007-2016)¹⁰

Year	Housing Needs	Residential	Residential (%ENCR)	Residential (%STR)	Residential (%Others)
2007	572,388	526,597	89,521	78,990	73,724
2008	584,067	537,342	91,348	80,601	75,228
2009	595,981	548,303	93,211	82,245	76,762
2010	608,141	559,490	95,113	83,923	78,329
2011	620,548	570,904	97,054	85,636	79,927
2012	633,209	582,552	99,034	87,383	81,557
2013	646,128	594,438	101,054	89,166	83,221
2014	669,306	615,762	104,679	92,364	86,207
2015	672,763	618,942	105,220	92,841	86,652
2016	686,484	631,565	107,366	94,735	88,419

Figure 1: Growth Rate of Housing Supply and Demand in the Relevant Market¹¹



REAL ESTATE OUTLOOK

¹⁰ Housing Need Projection, 2016

¹¹ Demand for Housing Outside Metro Manila

Colliers International Philippines, a subsidiary of the global commercial real estate services company Colliers International, predicted the following developments in the Philippines' property sector in a 2017 research report.¹²

1. **Infrastructure spending to lift the property sector.** The aforementioned research report believes that much of the country's growth will depend on the government's commitment to significantly hike up infrastructure spending. The ushering in of what is being touted as "golden age of infrastructure" along with the government's decentralization push should unlock land values in areas outside of Metro Manila and stimulate business activities in the countryside, providing developers with opportunities in these areas.
2. **Increased mixed-use developments outside the capital.** Property developers are expected to continue pursuing satellite communities in and outside of Metro Manila. Mixed-use developments or townships are becoming a common development theme in these areas as they viewed as having a more attractive value proposition than standalone projects due to the live-work-play-shop lifestyle featured by this type of development. The expansion of international airports in major destinations such as Bohol, Bacolod, Iloilo, and Davao will allow foreign tourists to bypass Manila thereby encouraging tourist arrivals and in a domino effect, boost hotel occupancy rates and entice local and foreign businessmen to ramp up leisure-related investments in the country.

¹² Source: *Colliers Outlook: Philippines – Top 10 Predictions*. (21 Dec. 2017). Retrieved May 10, 2019, from Colliers International Philippines: http://www.colliers.com/-/media/files/marketing%20reports/top_10_predictions_for_2018_final.pdf?la=en-GB

MARKET INFORMATION AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

At present, the Company has an authorized capital stock of Philippine Pesos: Three Hundred Seventy-Seven Million Nine Hundred Ninety-Three Thousand and Six Hundred (P377,993,600.00) divided into the following classes of shares:

- a.) Six Hundred Fifty-Five Million Nine Hundred Eighty-Seven Thousand and Two Hundred (655,987,200) Common Shares with a par value of fifty centavos (P0.50); and
- b.) One Hundred Million (100,000,000) Preferred Shares with a par value of fifty centavos (P0.50).

As approved by the Board of Directors, the Preferred Shares shall have the following terms and features:

- i. *Non-voting*
- ii. *Cumulative*
- iii. *Non-Participating;*
- iv. *Redeemable;*
- v. *Convertible; and*
- vi. *Peso-Denominated*

Of the authorized capital stock, 321,618,800 Common Shares have been issued and none of the Preferred Shares have been issued. After the completion of the Offer, the Company will have up to 364,952,800 issued and outstanding Common Shares and Preferred Shares.

Prior to the Offer, the all of the issued Shares of the Company are registered and publicly traded. On May 29, 2015, the Company filed its application for the listing and trading of the Preferred Shares in the SME Board of the Philippine Stock Exchange (PSE). 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 shall be listed and traded under the stock symbol "IDCP" 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 as of 30 June 2019:

Name	Nationality	No. of Shares Subscribed and paid	Percentage of Total Outstanding Shares
PCD Nominee Corporation (Filipino)	Filipino	238,328,917	74.10%
PCD Nominee Corporation (Foreign)	Foreign	83,288,540	25.90%
Shennan A. Sy	Filipino	476	Nil
Antonio R. Samson	Filipino	472	Nil
Owen Nathaniel S Au ITF: Li	Filipino	145	Nil
Marcus Au	Filipino	145	Nil
Shareholders' Assoc. of the Phils.	Filipino	100	Nil
Jose G. Araullo	Filipino	2	Nil
Jose M. Periquet	Filipino	1	Nil
Christine P. Base	Filipino	2	Nil
Total		321,618,800	100.00%

There are a total of 151 stockholders as of record date of 15 August 2019.

DIVIDENDS AND DIVIDEND POLICY

The Company is authorized to declare dividends only from its unrestricted retained earnings, and may not declare dividends which will impair its capital. The Company may pay dividends in cash, by the distribution of property, or by the issuance of shares, or a combination thereof. A Board approval is needed for the declaration of cash and property dividends. Stock dividends may be declared and distributed only upon the approval of the shareholders representing at least two-thirds (2/3) of the outstanding capital stock at a meeting called for that purpose.

As of the date of this Prospectus, the Company and its subsidiaries have no defined dividend policy, as such, the Company shall pay dividends depending on its current profitability and liquidity requirements. The amount of dividend declaration annually by the Company depend on the net income, cash availability and the investment projects as approved by the Board of Directors of the Company and each of the subsidiaries. Nevertheless, the Company and its subsidiaries, in declaring and paying dividends, will also take into consideration the interests of its shareholders, their working capital, capital expenditures, debt servicing requirements as well as provisions of the Tax Code and the Corporation Code.

The Offer is expected to create an additional paid-in capital in the amount of ₱[17.52] per preferred share issued. The amount of the additional paid-in capital will result from the difference between the Offer Price of the Offer Shares (₱15.00 per share) and the par value of the Offer Shares (₱0.50 per share). Any deficit which may be currently impairing the ability of the Company to declare and pay dividends is intended to be wiped out in the books of the Company by using the additional paid in capital to wipe out the capital deficit, without impairing the Company's ability to use the proceeds for the purposes disclosed in this Prospectus. The above-described equity restructuring, however, is not automatic, and approval by the SEC must first be secured in order to carry it out. Once approved by the SEC, the Company can resume paying dividends from future cash flows, which is no longer need to eliminate the retained earnings debit balance.

The Corporation Code defines “outstanding capital stock” as the total shares of stock issued, whether paid in full or not, except treasury shares.

The Corporation Code generally requires a corporation with surplus profits in excess of 100% of its paid-in capital to declare and distribute such surplus to its shareholders in the form of dividends. A corporation, however, may retain all or any portion of such surplus if so appropriated, restricted or required to be retained, such as: (1) when its board of directors appropriates the surplus for corporate expansion projects or programs; or (2) when the corporation is covered by a restriction for dividend declaration under a loan agreement and the requirements under the loan agreement have not been complied with; or (3) when the retention of such surplus is necessary under special circumstances obtaining in the corporation such as when there is a need for a special reserve for probable contingencies.

In relation to foreign shareholders, dividends payable shall not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP. See discussion on “Philippine Foreign Exchange Controls” in this Prospectus.

Record Date

Pursuant to existing SEC regulations, the record date of cash dividend declarations by listed companies must not be less than ten days and not more than thirty (30) days from the date the cash dividends are declared. Under such rules, if no record date is specified, the record date will be deemed fixed at fifteen (15) days from such declaration.

With respect to stock dividends, the record date must not be less than ten (10) days and not more than thirty (30) days from the date of the shareholder approval. If no record date is set, under SEC rules, the record date will be deemed fixed at fifteen (15) days from the date of the stock dividend declaration. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

Under the Revised Disclosure Rules of the PSE, the disclosure by a listed company of the record date for dividend declarations must not be less than ten (10) trading days from said date.

Under the PSE rules, the payment date shall not be more than eighteen (18) trading days from the record date.

Under the Company's amended by-laws, for the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books be closed for such period as may be deemed advisable previous to such meeting.

Restrictions on Dividend Declaration

The Company has entered into several term loan agreements which do not allow it to declare dividends if, in doing so, it will violate its financial covenants or if it will result into an event of default. The Company's long term loan agreements provide for the following financial covenant: (i) that its Debt-to-Equity Ratio shall be at a maximum of 2.33x and (ii) that its Debt Service Coverage Ratio shall be at least 1.00x.

DIVIDEND HISTORY

The Corporation has declared and paid the following dividends during the last three (3) fiscal years immediately preceding the filing of the application of the Corporation for listing with the PSE:

Year Declared	No. of Shares	Nature of Dividend	Rate of Dividend (in %)	Record Date	Amount Paid
2018	100,000,000	Stock Dividends	45.12252570630209	Jan. 15, 2018	n/a

INVESTOR RELATIONS PROGRAM

This program was introduced purposely to address and attend to investors' inquiries about the Company and its plans for its stockholders. Mr. Harold J. Dacumos was appointed head of the program who is in-charge of submitting periodic reports and statements required to be filed on a regular basis with the SEC and the PSE as well as current reports on material events that have occurred and are required to be disclosed to the SEC and/or the PSE within a given period from the time of their occurrence. The reports required to be filed with the SEC include, among others, the following:

- Annual Report (SEC Form 17-A) – within 105 days after the end of the fiscal year;
- Quarterly Report (SEC Form 17-Q) - within 45 days after the end of the first three (3) fiscal quarters of each fiscal year;
- Proxy Statement or Information Statement (SEC Form 20-IS) – at least 15 business days prior to the scheduled date of the annual stockholders' meeting; and
- Current Reports (SEC Form 17-C) – within five (5) days after the occurrence of the event required to be reported.

As a general rule, listed companies are required to furnish the PSE copies of all reports submitted to the SEC. The periodic reports required to be filed with the PSE, which are referred to as Structured Continuing Disclosures, include, among others, the following:

- Annual Report (SEC Form 17-A) – within 105 days after the end of the fiscal year;
- Quarterly Report (SEC Form 17-Q) - within 45 days after the end of the first three (3) fiscal quarters of each fiscal year;
- Report on the Top 100 Stockholders – within 15 days after the end of each quarter; and
- Board Lot Report – within five (5) trading days after the end of each month.

Listed companies are required to update the investing public with any material fact that occurs which would reasonably be expected to affect investors' decision in relation to trading of its securities. Such reports, which are referred to as Unstructured Continuing Disclosures, are required to be disclosed to the PSE within 10 minutes from receipt of the information or occurrence of the event.

The Company can be reached for inquiries through Mr. Harold J. Dacumos, at telephone number, (02) 893 0328 and through email address, investors@italpinas.com.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's audited financial statements for the calendar years ended 31 December 2018, 2017, and 2016, including the related notes, as examined and audited by BDO Roxas Cruz Tagle and Co. (formerly Alba Romeo & Co.), and unaudited financial statements for the 2nd quarter ended 30 June 2019, including the related notes, contained in this Prospectus. This Prospectus contains forward looking statements that involve risks and uncertainties. The Company cautions investors that its business and financial performance is subject to substantive risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set out in "Risk Factors". In evaluating the Company's business, investors should carefully consider all of the information contained in "Risk Factors".

2nd Quarter 2019 Financial Condition

As of June 30, 2019, the Company had total assets of PhP1,308,624,402.

The Company assets comprised primarily of receivables from customers for the sale of condominium units totaling to PhP 802,838,138.

Italpinas' receivables composed mainly of installment contracts receivables from condominium unit buyers. Bulk of these receivables pertains to sales of units of Primavera City Phase 1 and Miramonti Phase 1.

The investment of the Company includes unsold units which were intended for leasing.

All of the company's projects were partly funded through bank development loans. Primavera Residences Tower A was partly funded by development loan from Landbank and Primavera Residences Tower B from BPI. For Primavera City Phase 1, a development loan was secured from DBP amounting to PhP 200 Million and PhP 150 Million for Tower A and Tower B respectively. Debt-to-Equity ratio is 1.38 in 30 June 2019.

Financial Condition as at 30 June 2019 compared to as at 31 December 2018

36.39% Increase in Cash

The increase in cash was brought about by the accumulated collections from customers.

8.35% Increase in Receivables

Installment sales for the period January 2019 to June 2019 increased the receivables.

11.59% Decrease in Real Estate Inventory

Sales brought about the decrease in real estate inventory.

5.02% Decrease in Advances to Related Parties

These pertain to advances to and from affiliates which settlements transpired during the period.

52.22% Increase in Prepayments and Other Assets

Accumulated creditable taxes increased Prepayments and Other Assets.

6.08% Decrease in Property and Equipment

Depreciation for the period brought about the decrease in Property and Equipment.

09.18% Decrease in Trade and Other Payables

Payments to contractors brought about the decrease in trade payables.

17.19% Increase in Borrowings

The company secured short-term loans from credit lines with UCPB and DBP which increased the borrowings.

11.79% Increase in Retained Earnings

The company's net income for the 6-month period of PhP24,472,863 brought about the increase in retained earnings.

Results of Operation as at 30 June 2019 compared to as at 30 June 2018

26.41% Increase in Real Estate Sales

Sales of the remaining inventory of Primavera PC phase 1 and Miramonti brought about the increase.

23.67% Increase in Cost of Sales

Increase in Sales correspondingly increased Cost of Sales.

20.82 % Increase in General and Administrative Expenses

The Company continuously expands its operations which caused General and Administrative Expenses to increase.

33.43% Decrease in Finance Income

Interest income derived mainly from buyers who purchased the units under In-House Financing scheme of payment. Mostly, receivables under in-house financing scheme were fully collected.

263.56% Increase in Finance Costs

Interests on development bank loans increased Finance Costs. Likewise, interest on short-term loans with DBP and UCPB also increased Finance Costs.

2018 Financial Condition

As of December 31, 2018, the Company had total assets of PhP1,250,508,447 composed primarily of Contract Assets from sale of condominium units. The Company remains liquid with Current Assets amounting to PhP1,078,683,141 as against its Current Liabilities of PhP311,686,097.

Real Estate for Sale represents costs incurred for on-going project, Primavera City phase 1.

Land for Future Development pertains to amortization payments for lots of Primavera City phases 2 to 4.

To further fuel its growth, the Company acquired development loans for each project as follows:

1. Landbank of the Philippines – Primavera Residences Tower A
2. Bank of the Philippine Islands – Primavera Residences Tower B
3. Development Bank of the Philippines – Primavera City Towers A&B
4. Landbank of the Philippines – Miramonti Phase 1

Debt-to-Equity ratio is 1.38 in December 31, 2018.

In 31 December 2018, the Company's equity increased by 30% brought about by increase in earnings for year 2018.

Financial Condition as at 31 December 2018 compared to as at 31 December 2017

1.56x Decrease in Cash

Decrease in cash was brought about by amortization of bank loans and payment to contractors.

.43x Increase in Receivables

Increase in sales correspondingly increase receivables. Sales mostly were on installment.

.19x Increase in Real Estate Inventory

Costs incurred for on-going projects increased the *Real Estate Inventory*.

0.12x Decrease in Due to / from Related Parties

IDC paid Constellation for the prior year's share in rental and utilities which caused the *Due to / from Related Parties* to decrease.

1.24x Increase in Prepayments and Other Current Assets

In 2018, IDC paid withholding taxes pertaining to CCT transfers. These withholding taxes are creditable taxes which caused the *Prepayments and Other Current Assets* to increase.

0.25x Increase in Property and Equipment

Renovation of new office and purchase of company vehicle caused the *Property and Equipment* to increase.

7.16x Increase in Other Non-Current Assets

Rental deposits increased the *Other Non-Current Assets*.

0.02x Increase in Trade and Other Payables

Included in *Trade and Other Payables* are advances from buyers which caused the increase. These pertain to collections from sale of Miramonti units. Sales of Miramonti units were not yet recognized as revenue in as much as construction did not reach the required excavation stage as of 31 December 2018.

1.39x Increase in Retained Earnings

The company earned PhP120,562,181 for the period which brought about the increase in *Retained Earnings*.

2018 Results of Operation

The Company reported a net income of PhP120,562,181 for the year.

Results of Operation as at 31 December 2018 compared to as at 31 December 2017

0.94x Increase in Real Estate Sales

In 2018, the company sold more compared with last year. Likewise, with the new presentation to comply with PFRS 15, recognition of *Gross Profit* materially affected the *Sales* and *Cost of Sales* figures.

0.11x Decrease in Finance Income

This pertains to interest income earned out of sales through In-House Financing scheme of payment which slightly decreased in 2018.

0.64x Increase in Cost of Sales

Increase in *Sales* correspondingly increased *Cost of Sales*.

1.21x Increase in Selling Expenses

Pre-selling of units from a new project, Miramonti increased *Selling Expenses*.

.15x Increase in General and Administrative Expenses

With the existence of simultaneous projects and others in the pipeline as well, the company continuous to expand its operations as follows:

1. Additional manpower
2. Additional office spaces
3. Secured permits and licenses for new projects

2017 Financial Condition

As of December 31, 2017, the Company had total assets of PhP984,547,219 composed primarily of receivables from sale of condominium units and cost incurred for on-going construction of existing projects. The Company remains liquid with current assets amounting to PhP429,630,874 as against its current obligations of PhP373,596,115.

There was an increase in receivables as the company is selling not only units of Primavera City Tower A but units of Primavera City Tower B as well. Likewise, there was an increase in Property Development Cost as both towers of Primavera City are nearly on its completion stage. IDC's receivables are composed mainly of installment contracts receivables from buyers. Bulk of these receivables is expected to be collected in 2018 thru buyer's availment of bank financing facility.

The investment of the Company represents land intended for future projects, as follows:

1. Land in Sto. Tomas, Batangas which will be used to construct Miramonti
2. Land in Pueblo Business Park, Cagayan de Oro which will be used to construct the remaining phases of Primavera City.

To further fuel its growth, the Company acquired development loans for each project as follows:

5. Landbank – Primavera Residences Tower A
6. Bank of the Philippine Islands – Primavera Residences Tower B
7. Development Bank of the Philippines – Primavera City Towers A&B

Debt-to-Equity ratio is 1.43 in 31 December 2017.

In 31 December 2017, the Company's equity increased by 13% brought about by earnings for year 2017.

Financial Condition as at 31 December 2017 compared to as at 31 December 2016

1.03x Increase in Cash

Increase in cash was brought about by the appropriation of funds intended to pay BPI loan amortization due on January 15, 2018.

.01x Increase in Receivables

In 2017, the company was selling not just the units of Primavera City Tower A but units of Primavera City Tower B as well which brought about the increase in receivables.

1.00x Decrease in Real Estate Inventory

The company offered for lease all remaining inventory of Primavera Residences. More so, the company was using percentage of completion method in recognizing its inventory. And since the building is still in progress, no inventory was recognized at the end of the period.

0.07x Increase in Due from Related Parties

Increase in due from related parties was attributable to additional advances made by stockholders and affiliated companies.

1.00x Increase in Prepayments and Other Current Assets

Creditable taxes caused the prepayments and other current assets to increase.

0.36x Decrease in Property and Equipment

Depreciation expense caused the Property and Equipment to decrease.

0.54x Increase in Other Non-Current Assets

Included in the non-current assets are rental deposits which caused the increase in other non-current assets.

0.10x Increase in Trade and Other Payables

Increase in Trade and Other Payables was due to services provided by contractors of Primavera City Tower B which started its construction in July 2017.

.13x Increase in Retained Earnings

The company earned PhP59,899,181 for the period which brought about the increase in retained earnings. However, this was reduced by the appropriation for stock dividend attributable.

2017 Results of Operation

The Company reported a net income of PhP59,899,181 for the year.

Results of Operation as at 31 December 2017 compared to as at 31 December 2016

0.59x Decrease in Real Estate Sales

In 2017, the company changed its policy in recognizing revenue. As such, it brought about the decrease in real estate sales.

0.27x Decrease in Interest Income

Some of the sales under in-house financing were already fully paid in 2017 which caused the decrease in interest income.

0.64x Decrease in Cost of Sales

Decrease in sales correspondingly decreased cost.

0.48x 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.

0.38x 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

2016 Financial Condition

As of December 31, 2016, the Company had total assets of PhP789,478,839.

The Company assets comprised primarily of receivables from customers totaling to PhP544,918,341.

Receivables composed mainly of installment contracts receivables from buyers. As of 31 December 2016, none of its receivables have been classified as 'Past Due' or 'Impaired'. Bulk of these receivables pertains to sales of units of Primavera City Phase 1. Primavera City Phase 1 was launched on June 2016.

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

All of the company's projects were partly funded through bank development loans. Primavera Residences Tower A was partly funded by development loan from Landbank and Primavera Residences Tower B from BPI. For Primavera City Phase 1, a development loan was secured from DBP amounting to PhP200 Million. Out of this amount, only PhP15 Million has been drawn-down as of December 31, 2016. Debt-to-Equity ratio is 1.29x in 31 December 2016.

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

88.40% Decrease in Cash

In year 2016 that IDC used large portion of its IPO proceeds for capital expenditures, retirement of existing obligations, land banking and general working fund purposes.

129.54% Increase in Receivables

For year 2016, the Company sold 80% of units of Primavera City Building A of Phase 1 which caused the receivables to tremendously increase.

36.74% Decrease in Real Estate Inventory

Decrease in real estate inventory was due to sale of remaining units of Primavera Residences.

23.69% Decrease in Advances to Related Parties

In 2015, Constellation Energy Corp. purchased 10 units as investment which IDC bought-back in 2016 which caused the advances to related parties to decrease.

100% Decrease in Prepayments and Other Current Assets

Advance payments for advertising and interest were consumed during the year. Creditable withholding taxes at the beginning of 2016 were applied as tax credits.

10.95% Increase in Property and Equipment

Increase was due to the following:

1. Furnishings of staff houses
2. Furnishings of Primavera City model unit
3. Renovation of Primavera Sales Offices
4. Improvement of I.T. facilities

32.45% Increase in Other Non-Current Assets

Increase was brought about by the adjustment of rental deposit of Makati office space and electric meter deposit for staff houses.

90.58% Increase in Trade and Other Payables

Cost incurred in the construction of its new project Primavera City Phase 1 brought about increase in trade and other payables. Likewise, miscellaneous fees collected from the unit buyers for the transfer of title increased.

71.03% Increase in Retained Earnings

The company's net income for the year of Php32,000,596 brought about the increase in retained earnings.

2016 Results of Operation

IDC reported a net income of Php32,000,596 for year 2016.

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

64.36% Increase in Real Estate Sales

IDC sold 121 units of Primavera City Phase Building A of Phase 1 in its first year of sale which is about 86%. Also, 20 units of the remaining inventory of Primavera Residences were sold.

73.64% Increase in Interest Income

Interest income derived from buyers who purchased the units under the In-House Financing Scheme increased from 2015 to 2016.

5.86% Increase in Cost of Sales

Increase in sales correspondingly increased the cost of sales.

149.52% Increase in Selling Expenses

The increase was due to various promotional expenses for the launch of the company's new project, Primavera City. Furthermore, the company extended incentives to both buyers and brokers to boost the sale of remaining inventory of Primavera Residences.

37.95% Increase in General and Administrative Expenses

In as much as the company was continuously expanding with its various projects in the pipeline, the operations were correspondingly expanded by hiring additional manpower. Frequent visits to sites were done to closely monitor the status of the projects. The company also secured services of a media company to address its press releases.

To comply with the requirements of Board of Investments (BOI) pertaining to availment of the Income Tax.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

The direct and indirect record and beneficial owners of more than five percent (5%) of the Company's voting securities as of the date of this prospectus are as follows:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. Of Shares Held	% of Total Outstanding Shares
Common	Jose D. Leviste III Twin Tower, Wack-Wack Road, Mandaluyong City, Director	Jose D. Leviste III Direct	Filipino	103,605,584	32.21%
Common	Romolo V. Nati Frabella Condominium Rada St., Legaspi Village, Makati City Director	Romolo V. Nati Direct	Italian	80,370,225	24.99%
Common	PCD Nominee Corporation (Filipino) G/F MSE Bldg. 6767, Ayala Avenue, Makati City ¹³	PCD Participants acting for themselves or for their customers ¹⁴	Filipino	134,723,333	41.88%

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

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

SECURITY OWNERSHIP OF THE BOARD OF DIRECTORS AND MANAGEMENT

The securities beneficially owned by all of the directors, nominees and executive officers of the Company as of 30 June 2019 are as follows:

Title of Class and Nature of Beneficial Ownership	Name of Beneficial Owner and Designation	Designation	Citizenship	No. of Shares Held	% of Total O/S
Common (Direct)	Romolo V. Nati	Chairman / CEO	Italian	80,370,225	24.99%
Common (Direct)	Jose D. Leviste III	Director / President	Filipino	103,605,584	32.21%
Common (Direct)	Christine P. Base	Corporate Secretary	Filipino	291,698	Nil

¹³ The PCD Nominee Corporation is a wholly-owned subsidiary of the Philippine Central Depository, Inc. and is not related to the Company. It is the registered owner in the Company's books and holds shares on behalf of PCD participants and their clients.

¹⁴ Each beneficial owner of shares through a PCD participant will be the beneficial owner to the extent of the number of shares in his account with the PCD participant.

Common (Direct)	Rafael A. Dominguez	Independent Director	Filipino	1,451	Nil
Common (Direct)	Shennan A. Sy	Director	Filipino	476	Nil
Common (Direct)	Jose G. Araullo	Independent Director	Filipino	2	Nil
Common (Direct)	Januario Jesus	Director	Filipino	14,512	Nil
	Gregorio III B. Atencio				
Common (Direct)	Jose Fidel R. Acuna	Director	Filipino	1,451	Nil
Common (Direct)	Harold J. Dacumos	Senior Vice President	Filipino	19,500	Nil
Common (Direct)	Mary Ann B. Lopez	Vice President	Filipino	10,000	Nil
Total (All Directors and Officers – Common Shares)				184,314,899	57.31%

VOTING TRUST HOLDERS OF 5% OR MORE

The Company is not aware of any voting trust agreements.

CHANGES IN CONTROL

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

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Except as described elsewhere in this Prospectus, there are no significant related party transactions involving the Company.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors or its shareholders.

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

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

a) Outstanding Balances

	Advances to related parties		Terms and conditions	Security	Nature of consideration to be provided upon settlement	Guarantees given or received	Impairment loss			Allowance for impairment loss	
	June 30, 2019	2018					2019	2018	2017	2019	2018
Associate CEC	P-	P3,848,567	Subject to liquidation	Unsecured	Cash	None	P-	P-	P-P-	P-	
Affiliate PRCC	(1,769,138)	(1,769,138)	Subject to liquidation	Unsecured	Cash	None	-	-	-	-	-
Individuals											
Shareholders	49,448,280	48,117,426	Subject to liquidation	Unsecured	Cash	None	-	-	-	-	-
	P47,679,142	P50,196,855					P-	P-		P-	P-

	Trade and other receivables		Terms and conditions	Security	Nature of consideration to be provided upon settlement	Guarantees given or received	Impairment loss			Allowance for impairment loss	
	June 30, 2019	2018					2019	2018	2017	2019	2018
Associate CEC	P93,483	P93,483	Demandable	Unsecured	Cash	None	P-	P-	P-	P-	P-

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

Related party	Nature of relationship	2016	2017	2018
Advances to shareholders and affiliates				
Individuals	Shareholders	P 7,349,917	P 7,349,917	P 48,117,426
Constellation Energy Corporation	Associate	20,635,354	22,883,880	3,848,567
Primavera Residences Condominium Corporation	Affiliate	2,242,624	2,242,624	(1,769,138)
		P 30,227,895	P 32,476,421	P 50,196,855
Impairment loss				
Individuals	Shareholders	P -	P -	P -
Constellation Energy Corporation	Associate	-	-	-
Primavera Residences Condominium Corporation	Affiliate	-	-	-
		P -	P -	P -
Provision for impairment losses				
Individuals	Shareholders	P -	P -	P -
Constellation Energy Corporation	Associate	-	-	-

Primavera Residences Condominium Corporation	Affiliate		-		-		-
		P	-	P	-	P	-
<u>Trade and other receivables</u>							
Constellation Energy Corporation	Associate	P	8,494,817	P	-	P	93,483
<u>Impairment loss</u>							
Constellation Energy Corporation	Associate	P	-	P	-	P	-
<u>Provision for impairment losses</u>							
Constellation Energy Corporation	Associate	P	-	P	-	P	-
<u>Advances from Associate</u>							
Constellation Energy Corporation	Associate	P	771,152	P	771,152	P	21,896,432

b) Transactions

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

Related party	Nature of relationship	2016	2017	2018
<u>Net sales</u>				
Constellation Energy Corporation	Associate	P -	P -	P -
Individuals	Key management personnel	P -	P -	P -
<u>Advances to Related Parties</u>				
Constellation Energy Corporation	Associate	P (9,358,688)	(P 8,494,817)	P 93,483
Individuals	Key management personnel	P -	P -	P -
Primavera Residences Condominium Corporation	Affiliate	P (25,611)	P -	P -
<u>Advances from an associate</u>				
Constellation Energy Corporation	Associate	P -	P -	P -
Individuals	Key management personnel	P -	P -	P -
<u>Key management personnel compensation</u>				
Constellation Energy Corporation	Associate	P -	P -	P -
Individuals	Key management personnel	P 11,337,266	P 11,491,969	P 13,756,614

i. Advances to related parties are intended for property development costs. Advances to PRCC pertain to expenses paid by the Company on behalf of PRCC. These cash advances are non-interest bearing, unsecured and are subject to liquidation upon utilization. Based on management's assessment, there is no indication of impairment and the carrying values of these advances to shareholders are deemed realizable as at June 30, 2019 and December 31, 2018.

ii. The Company sold condominium units to an associate in 2015. Prices are based on usual list prices.

iii. Advances from an associate represent cash advances received from CEC for the project development costs. These advances are unsecured, non-interest bearing and are payable on demand.

iv. Advances to related parties collected for the years ended December 31, 2018 and 2017 were utilized for the construction of the Primavera City Residences Project.

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

CORPORATE GOVERNANCE

On May 2017, the Company approved to revise its Manual of Corporate Governance in compliance with the requirements of the Code of Corporate Governance. Following is a list of officers in charge of the Company's management committees.

1. Audit Committee	: Jose Araullo, Chairman : Jose D. Leviste III, Member : Shennan Sy, Member
2. Corporate Governance Committee	: Compliance Officer, Christine P. Base
3. Nomination Committee	: Rafael Dominguez, Chairman : Romolo V. Nati, Member : Jose D. Leviste III, Member
4. Compensation and Remuneration Committee	: Rafael Dominguez, Chairman : Romolo V. Nati, Member : Jose D. Leviste III, Member

Compliance Officer

In order to ensure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer who shall perform the following functions:

- ii. Ensures proper onboarding of new directors (i.e., orientation on the Company's business, charter, articles of incorporation and by-laws, among others);
- iii. Monitors, reviews, evaluates and ensures the compliance by the Company, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;
- iv. Reports any violations found to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation thereof for further review and approval of the Board;
- v. Appear before the Commission when summoned in relation to compliance with this Code;
- vi. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;
- vii. Identifies possible areas of compliance issues and works towards the resolution of the same;
- viii. Ensures the attendance of board members of key officers to relevant trainings;
- ix. Identify, monitor and control compliance risks; and
- x. Performs such other duties and responsibilities as may be provided by the Commission.

Audit Committee

The members of the audit committee or audit group or auditor shall have adequate understanding at least or competence at most, of the company's financial management systems and environment.

The audit committee shall also perform independent internal audit function through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

Duties and Responsibilities:

- i. Recommends the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- ii. Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances shall be in place in order to (a)

- safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations;
- iii. Oversees the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head. The Audit Committee shall also approve the terms and conditions for outsourcing internal audit services;
 - iv. Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he shall directly report to the Audit Committee;
 - v. Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;
 - vi. Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
 - vii. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
 - viii. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
 - ix. Perform oversight functions over the Company's internal and external auditors. It shall ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
 - x. Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget necessary to implement it;
 - xi. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
 - xii. Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
 - xiii. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security
 - xiv. Review the reports submitted by the internal and external auditors;
Review the quarterly and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
 - xv. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
 - xvi. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the Company's annual report;
 - xvii. Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders; and
 - xviii. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

- xix. Evaluations on an ongoing basis of all related party transactions and that such transactions are not to the detriment of the Company's business and to determine any potential reputational risk issues that may arise as a result or in connection with the transactions. In evaluation these transactions, the audit committee shall take into account, among others, the following:
1. The related party's relationship to the company and interest in the transaction;
 2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 3. The benefits to the corporation of the proposed RPT;
 4. The availability of other sources of comparable products or services; and
 5. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.

Corporate Governance Committee

The Corporate Governance Committee ("CG Committee") shall be tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. It shall be composed of at least three members, all of whom shall be independent directors, including the Chairman.

Duties and Responsibilities:

- i. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;
- ii. Oversees the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- iii. Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- iv. Recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- v. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- vi. Proposes and plans relevant trainings for the members of the Board;
- vii. Determines the nomination and election process for the company's directors and has the special duty of defining the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and
- viii. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates

Nomination Committee

The Nomination Committee shall be composed of at least three (3) members and one of whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors. The Committee shall, among other functions, pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the qualifications and disqualifications prescribed under the Manual.

Compensation and Remuneration Committee

The Compensation and Remuneration Committee shall be composed of at least three (3) members and one of whom should be an independent director.

Duties and Responsibilities:

- i. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment.
- ii. Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully.
- iii. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.
- iv. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all Incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
- v. Disallow any director to decide his or her own remuneration.
- vi. Provide in the Company's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.
- vii. Review (if any) of the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

PHILIPPINE FOREIGN INVESTMENT, FOREIGN OWNERSHIP AND EXCHANGE CONTROLS

REGISTRATION OF FOREIGN INVESTMENTS AND EXCHANGE CONTROLS

BSP regulations require registration of investments in Philippine securities if the foreign exchange needed to service the repatriation of capital and the remittance of dividends, profits, and earnings that accrue on such investments will be sourced from the Philippine banking system. If the foreign exchange required to service capital repatriation or dividend remittance will be sourced outside the Philippine banking system, registration is not required. BSP Circular No. 471 (Series of 2005) subjects foreign exchange dealers and money changers to Republic Act No. 9160 (the Anti-Money Laundering Act of 2001, as amended) and requires these non-bank sources of foreign exchange to require foreign exchange buyers to submit, among others, the original BSP registration document in connection with their application to purchase foreign exchange for purposes of capital repatriation and remittance of dividends. Registration of Philippine securities listed on the PSE may be done with the BSP or through an investor's custodian bank which shall issue a registration document on behalf of the BSP. A custodian bank may be any commercial bank or offshore banking unit in the Philippines appointed by the investor to register the investment, hold shares for the investor, and represent the investor in all necessary actions in connection with the investment in the Philippines. Applications for registration must be accompanied by (i) purchase invoice or subscription agreement and/or proof of listing on the PSE, (ii) credit advice or bank certificate showing the amount of foreign currency inwardly remitted and converted to pesos through a commercial bank and (iii) in certain instances, transfer instructions from the shareholder or dealer, as the case may be.

Upon registration of the investment, proceeds of divestments or dividends, the registered investments may be repatriated or remitted immediately and in full through the Philippine banking system, net of applicable taxes, without need of BSP approval. Remittance is allowed upon presentation to the authorized agent bank of the BSP registration document, at the exchange rate applicable on the date of the actual remittance. Pending repatriation or reinvestment, divestment proceeds, as well as dividends of registered investments, may be lodged temporarily in interest-bearing deposit accounts. Interest thereon, net of taxes, may also be remitted in full. Divestment proceeds or dividends of registered investments may be reinvested in the Philippines if the investments are registered with the BSP or the investor's custodian bank.

The foregoing is subject to the power of the BSP, through the Monetary Board, with the approval of the President of the Philippines, temporarily suspend or restrict the sale of foreign exchange in the imminence of or during a foreign exchange crisis, or in times of national emergency. Furthermore, there can be no assurance that BSP foreign exchange regulations will not be made more restrictive in the future.

The registration with the BSP of all foreign investments in the Subject Shares shall be the responsibility of the foreign investor.

RESTRICTION ON FOREIGN OWNERSHIP

The Company owns certain real estate and, as such, is subject to nationality restrictions found under the Philippine Constitution and other laws limiting land ownership to Philippine Nationals. The term "Philippine National" as defined under R.A. No. 7042, as amended, shall mean a citizen of the Philippines, a domestic partnership or association wholly-owned by citizens of the Philippines or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines under the Philippine Corporation Code of which 60% of the capital stock outstanding and entitled to vote is wholly-owned by Filipino or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.

As of the date of this Prospectus, approximately 60% of the total outstanding capital stock of the Company is held by Philippine Nationals. After completion of the Offer, foreign equity shall not exceed 40% of the Company's total outstanding capital stock.

MARKET PRICE OF THE COMPANY'S STOCK

Market Information

The Company's Common Shares are traded on the PSE under the symbol "IDC".

The following table sets out, for the periods indicated, the high and low sales prices for the Company's Common Shares, as reported on the PSE:

	<i>(in PhP)</i>	
	High	Low
2016		
First quarter <i>(Jan 1 to Mar 31)</i>	2.52	1.38
Second quarter <i>(Apr 1 to Jun 30)</i>	3.86	1.93
Third quarter <i>(Jul 1 to Sep 30)</i>	4.64	2.76
Fourth quarter <i>(Oct 1 to Dec 31)</i>	3.18	2.14
2017		
First quarter <i>(Jan 1 to Mar 31)</i>	3.24	2.40
Second quarter <i>(Apr 1 to Jun 30)</i>	3.45	2.41
Third quarter <i>(Jul 1 to Sep 30)</i>	3.38	2.41
Fourth quarter <i>(Oct 1 to Dec 31)</i>	13.09	3.09
2018		
First quarter <i>(Jan 1 to March 31)</i>	9.88	4.48
Second quarter <i>(Apr 1 to Jun 30)</i>	6.25	4.78
Third quarter <i>(Jul 1 to Sep 30)</i>	7.86	4.96
Fourth Quarter <i>(Oct 1 to Dec 29)</i>	5.45	3.10
2019		
First quarter <i>(Jan 1 to March 31)</i>	5.46	4.57
Second quarter <i>(April 1 to June 30)</i>	5.85	4.62
July 1 to Aug 31	8.23	4.79

THE PHILIPPINE STOCK MARKET

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by the Company, the Underwriter or their respective advisers in connection with the sale of the Offer Shares.

BRIEF HISTORY

The Philippines initially had two (2) stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulating, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Government have resulted in the unification of the two (2) bourses into the PSE. The PSE was incorporated in 1992 by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two (2) separate exchanges were revoked. While the PSE maintains two trading floors, one in Makati City and the other in Pasig City, these floors are linked by an automated trading system which integrates all bids and ask quotations from the bourses.

In June 1998, the SEC granted the PSE a Self-Regulatory Organization (“SRO”) status, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On 08 August 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC. As of the date of this Prospectus, the PSE has an authorized capital stock of PHP120.0 million of which PHP85.0 million is subscribed and fully paid-up. Each of the 184 member-brokers was granted 50,000 shares of the new PSE at a par value of One Philippine Peso (PHP1.00) per share. In addition, a trading right evidenced by a “Trading Participant Certificate” was immediately conferred on each member broker allowing the use of the PSE’s trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven (7) brokers and eight (8) non-brokers, one of whom is the President. On 15 December 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippines’ securities industry.

A listing committee comprised of representatives elected by the Board of Directors of the PSE deliberates on all applications for listing and, and if the listing application is endorsed by the committee, forwards the application to the PSE Board of Directors for approval.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE’s Main Board or the Small, Medium and Emerging (SME) Board. Recently, the PSE issued its Rules on Exchange Traded Funds (“ETFs”) which provides for the listing of ETFs on an ETF Board separate from the PSE’s existing Boards. Previously, the PSE allowed listing on the First Board, Second Board or the Small, Medium and Enterprises Board. As a result of the issuance by the PSE of Memorandum No. CN-No. 2013-0023, dated June 6, 2013, revisions to the PSE Listing Rules were made, among which changes are the removal of the Second Board listing and the requirement that lock-up rules be embodied in the articles of the incorporation of the issuer. Each index represents the numerical average of the prices of component shares. The PSE has an index, referred to as the PHISIX, which as at the date thereof reflects the price movements of selected shares listed on the PSE, based on traded prices of shares from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective April 3, 2006, simultaneous with the migration to the free float index and the renaming of the PHISIX to PSEi. The PSEi is composed of shares of 30 selected companies listed on the PSE.

With the increasing calls for good governance, PSE has adopted an online daily disclosure system to improve the transparency of listed companies and to protect the investing public.

Selected Stock Exchange Data

The table below sets forth movements in the composite index from 1995 to 2018, and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization (PHP Bns)	Combined Value of Turnover (PHP Bns)
1995	2,594.2	205	1,545.7	379.0
1996	3,170.6	216	2,121.1	668.9
1997	1,869.2	221	1,261.3	588.0
1998	1,968.8	221	1,373.7	408.7
1999	2,142.9	226	1,938.6	713.9
2000	1,494.5	230	2,577.6	357.6
2001	1,168.1	232	2,142.6	159.5
2002	1,018.4	234	2,083.2	159.7
2003	1,442.4	236	2,973.8	145.4
2004	1,822.8	236	4,766.2	206.6
2005	2,096.0	237	5,948.4	383.5
2006	2,982.5	240	7,172.8	572.6
2007	3,261.6	244	7,978.5	1,338.3
2008	1,872.8	246	4,069.2	763.9
2009	3,052.7	248	6,029.1	994.2
2010	4,201.1	253	4,472.1	1,207.4
2011	4,372.0	253	8,687.0	422.6
2012	5,812.7	254	10,952.7	1,771.7
2013	5,889.8	257	11,931.3	2,546.3
2014	7,230.6	263	14,251.7	2,130.1
2015	7,098.8	263	13,650.0	1,084.3
2016	6,840.6	265	14,438.8	1,929.5
2017	8,558.4	269	17,583.1	1,958.4
2018	7,466.0	270	16,146.7	1,736.8

Source: Philippine Stock Exchange, Inc. Data in the table above is as of the last trading day of each year for the years 1995 to 2018.

TRADING

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bids or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Payment for purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Trading on the PSE starts at 9:30 a.m. until 12:00 p.m., where there will be a one-and-a-half-hour recess. In the afternoon, trading resumes at 1:30 p.m. and ends at 3:30 p.m., including a 10-minute market run-off from 3:20 p.m. to 3:30 p.m. during which transactions may be conducted, provided that they are executed at the last traded price set prior to the market run-off and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal holidays and days when the BSP clearing house is closed.

Minimum trading lots range from five (5) to one million (1,000,000) shares depending on the price range and nature of the security traded. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, when the price of a listed security moves up by fifty percent (50%) or down by fifty

percent (50%) in one day (based on the last traded price or adjusted closing price, as the case may be), or the maximum allowable price difference between an update in the Last Traded Price ("LTP") of a given Security and its preceding LTP that is equal to a percentage set by the PSE based on its trade frequency is breached, the price of that security is automatically frozen by the PSE, unless there is an official statement from the relevant company or a Government agency, justifying such price fluctuation, in which case the affected security can still be traded but only at the frozen price. If the issuer fails to submit such explanation, a trading halt is imposed by the PSE on the listed security the following day. Resumption of trading shall be allowed only when the disclosure of the issuer is disseminated, subject again to the trading ban.

NON-RESIDENT TRANSACTIONS

When the purchase/sale of Philippine shares of stock involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three business days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP Rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

SETTLEMENT

The Securities Clearing Corporation of the Philippines ("SCCP") is a wholly-owned subsidiary of the PSE and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. It is responsible for (a) synchronizing the settlement funds and the transfer of securities through delivery versus payment clearing and settlement of transactions of Clearing Members, who are also PSE Brokers, (b) guaranteeing the settlement of trades in the event of a Trading Participant's default through the implementation of its Fails Management System and administration of the Clearing and Trade Guaranty Fund and (c) performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

The SCCP settles PSE trades on a 3-day rolling settlement environment, which means that settlement of trades takes place three (3) business days after transaction date (T + 3). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under PDTC's book entry system. Each PSE Broker maintains a Cash Settlement Account with one of the four (4) existing Settlement Banks of SCCP which are Banco de Oro Unibank, Inc., Rizal Commercial Banking Corporation, Metropolitan Bank and Trust Company, and Union Bank of the Philippines. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its new clearing and settlement system called Central Clearing and Settlement System ("CCSS") on 29 May 2006. CCSS employs multilateral netting whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each Clearing Member. All cash debits and credits are also netted into a single net cash position for each Clearing Member. Novation of the original PSE trade contract occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

SCRIPLESS TRADING

In 1995, the Philippine Depository and Trust Corporation ("PDTC", formerly the Philippine Central Depository, Inc.) was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. In December 2006, PDTC was issued a provisional license to operate by the Securities and Exchange Commission (SEC) as a depository for equity securities. In 2002, a permanent license as a depository of equity securities and a temporary license as a depository of debt securities was granted to PDTC by the SEC. In September 2003, PDTC was granted a permanent license as a depository of debt securities.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgement (deposit) and upliftment

(withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks, Rizal Commercial Banking Corporation, Banco de Oro Unibank, Inc., Metropolitan Bank and Trust Company, and Union Bank of the Philippines.

In order to benefit from the book-entry system, securities must be immobilised in the PDTC system through a process called lodgement. Lodgement is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favour of PCD Nominee Corporation ("PCD Nominee"), a corporation wholly owned by the PDTC, whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. "Immobilisation" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and a new warrant or stock certificate ("Jumbo Certificate") covering all the warrants or shares lodged is issued in the name of the PCD Nominee. This trust arrangement between the participants and PDTC through the PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the Philippine SEC. No consideration is paid for the transfer of legal title to PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares through his participant will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgements, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system and, with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers or participant-custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (trading date plus three trading days) that there are adequate securities in the securities settlement account of the participant-seller and adequate clear funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the PDTC system, in accordance with the PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities. If a stockholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which the PCD Nominee will transfer back to the stockholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the upliftment of shares lodged under the name of PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are to the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of ownership of the shares in the issuing corporation's books. In the depository set-up, shares are simply immobilised, wherein customers' certificates are cancelled and a new Jumbo Certificate is issued in the name of PCD Nominee Corp. to confirm new balances of the shares lodged with the PDTC. Transfers among/between broker or custodian accounts, as the case may be, will only be made within the book-entry system of PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the nominees' name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agent's books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing the broker from its current "de facto" custodianship role.

AMENDED RULE ON LODGEMENT OF SECURITIES

On 24 June 2009, the PSE notified all listed companies and market participants through Memorandum No. 2009-0320 that from July 1, 2009, it would be a condition for the listing and trading of the securities of an applicant company, for the applicant company to electronically lodge its registered securities with the PDTC or any other entity duly authorized by the Philippine SEC, without any Jumbo Certificate in compliance with the requirements of Section 43 of the SRC. Actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III Part A of the Revised Listing Rules.

Further, the PSE apprised all listed companies and market participants on May 21, 2010 through Memorandum No. 2010-0246 that the Amended Rule on Lodgment of Securities under Section 16 of Article III, Part A of the Revised Listing Rules of the Exchange shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the SEC.

For listing applications, the amended rule on lodgment of securities is applicable to:

- The Rights Shares/securities of the applicant company in the case of an initial public offering;
- The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the SEC in the case of a listing by way of introduction;
- New securities to be offered and applied for listing by an existing listed company; and
- Additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof such that:

- For new companies to be listed at the PSE as of 01 July 2009 the usual procedure will be observed but the transfer agent of the companies shall no longer issue a certificate to the PCD Nominee Corporation ("PCNC") but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the depository participants on listing date.
- For existing listed companies, the PDTC shall wait for the advice of the transfer agent that it is ready to accept surrender of PCNC Jumbo Certificates and upon such advice the PDTC shall surrender all PCNC Jumbo Certificates to the transfer agent for cancellation. The transfer agents shall issue a Registry Confirmation Advice to PCNC evidencing the total number of shares registered in the name of PCNC in the issuer's registry as of the confirmation date.

ISSUANCE OF STOCK CERTIFICATES FOR CERTIFICATED SHARES

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply with PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are on the account of the uplifting shareholder. Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

TAXATION

The following is a general description of certain Philippine tax aspects of the investment in the Company. This discussion is based upon laws, regulations, rulings, income tax conventions, treaties, administrative practices and judicial decisions in effect at the date of this Prospectus. Subsequent legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to an investor.

This general description does not purport to be a comprehensive description of the Philippine tax aspects of the investment in the Subject Shares and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Subject Shares under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Subject Shares in such other jurisdictions.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE SUBJECT SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF LOCAL AND NATIONAL TAX LAWS.

As used in this Section, the term “resident alien” refers to an individual whose residence is within the Philippines and who is not a citizen thereof.

A “non-resident alien” is an individual whose residence is not within the Philippines and who is not a citizen thereof. A non-resident alien who is actually within the Philippines for an aggregate period of more than one hundred eighty (180) days during any calendar year is considered a non-resident alien engaged in trade or business in the Philippines; otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a non-resident alien not engaged in trade or business in the Philippines.

A “domestic corporation” is a corporation created or organized under the laws of the Philippines; while a “foreign corporation” is one which is not domestic.

A “resident foreign corporation” is a foreign corporation engaged in trade or business in the Philippines; and a “non-resident foreign corporation” is a foreign corporation not engaged in trade or business in the Philippines.

TAX REFORM FOR ACCELERATION AND INCLUSION (TRAIN)

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (“TRAIN”) took into effect. The TRAIN amended provisions of the Philippine Tax Code including provisions on Documentary Stamp Tax, tax on interest income and other distributions, Capital Gains Tax on the sale and disposition of securities, Estate Tax, and Donor’s Tax. It is the first package of the comprehensive tax reform program (CTRP) envisioned by the current administration to achieve the following:

- Lower Personal Income Tax
- Simplify Donor and Estate Taxes
- Expand VAT Base
- Increase Excise Tax on Petroleum Products
- Increase Excise Tax on Automobiles
- Introduce the Excise Tax on Sugar-Sweetened Beverages

INDIVIDUAL INCOME TAX

A resident citizen is taxed on income from all sources within and without the Philippines (other than certain passive income and capital gains which are subject to final taxes) at progressive rates ranging from twenty percent (20%) to thirty five percent (35%) of net taxable income. A resident alien, non-resident citizen or non-resident alien engaged in trade or business in the Philippines is generally subject to an income tax in the same manner and at the same progressive tax rates on taxable income from all sources within the Philippines (other than certain passive income and capital gains which are subject to final taxes).

A non-resident alien not engaged in trade or business in the Philippines is taxed on gross income from Philippine sources such as interest, cash and/or property dividends, rents, salaries, wages, premiums, annuities, compensation, remuneration, emoluments, or other fixed or determinable annual or periodic or casual gains, profits, and income, and capital gains (other than capital gains from the sale of shares of stock in a domestic corporation and real property) at the rate of twenty five percent (25%) withheld at source.

A "non-resident citizen" is a citizen of the Philippines who (i) establishes to the satisfaction of the Commissioner of Internal Revenue the fact of his physical presence abroad with a definite intention to reside therein, or (ii) leaves the Philippines during the taxable year to reside abroad, either as an immigrant or for employment on a permanent basis, or (iii) works and derives income from abroad and whose employment thereat requires him to be physically present abroad most of the time during the taxable year. A citizen of the Philippines who has been previously considered as a non-resident citizen and who arrives in the Philippines at any time during the taxable year to reside permanently in the Philippines shall likewise be treated as a non-resident citizen for the taxable year in which he arrives in the Philippines with respect to his income derived from sources abroad until the date of his arrival in the Philippines.

CORPORATE INCOME TAX

The Tax Code, as a general rule, imposes on a domestic corporation a tax of 30% on its taxable income from all sources within and without the Philippines. A minimum corporate income tax of 2% of the gross income of the corporation as of the end of the taxable year, beginning on the fourth taxable year in which the corporation commenced its business operations, may be imposed in lieu of the ordinary income tax if the minimum corporate income tax is greater than the computed ordinary income tax for the taxable year.

The law allows the corporation to carry forward and credit against the ordinary corporate income tax, for three immediately succeeding taxable years, any excess of the minimum corporate income tax over the ordinary income tax. Further, the Secretary of Finance is authorized to suspend the imposition of the minimum corporate income tax on any corporation which suffers losses on account of a prolonged labor dispute, force majeure, or legitimate business reverses.

Note that, among other exceptions, the rates of tax on certain passive incomes are different from the 30% rate imposed on ordinary income tax, such as:

Interest from deposits and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements, and royalties	Final tax of 20%
Capital gains from sale of shares of stock not traded in the stock exchange	15%
Interest income derived from a depository bank under the expanded foreign currency deposit system	Final tax of 7.5%
Dividends received by a domestic corporation or a resident foreign corporation from another domestic corporation (Intercompany Dividends)	None
Capital gains realized from the sale, exchange or disposition of lands and buildings	Final tax of 6%

DIVIDENDS

Individual Philippine citizens and resident aliens are subject to a final tax on dividends derived from the Common Shares at the rate of 10%, which tax shall be withheld by the Company.

Non-resident alien individuals engaged in a trade or business in the Philippines are subject to a final withholding tax on dividends derived from the Common Shares at the rate of 20%. A non-resident alien individual who comes to the Philippines and stays for an aggregate period of more than 180 days during any calendar year is considered engaged in a trade or business in the Philippines. Non-resident alien individuals not doing business in the Philippines are subject to a final withholding tax on dividends derived from the Common Shares at the rate of 25% subject to applicable preferential tax rates under tax treaties in force between the Philippines and the country of domicile of such non-resident alien individuals.

Dividends derived by domestic corporations (i.e., corporations created or organized in the Philippines or under its laws) and resident foreign corporations from the Common Shares shall not be subject to tax.

Dividends received from a domestic corporation by a non-resident foreign corporation are generally subject to final withholding tax at the rate of 30%, subject to applicable preferential tax rates under tax treaties in force between the Philippines and the country of domicile of such non-resident foreign corporation. The 30% rate for dividends paid to non-resident foreign corporations that are domiciled in countries which do not have tax treaties with the Philippines may be reduced to a special 15% rate if:

- the country in which the non-resident foreign corporation is domiciled imposes no taxes on foreign sourced dividends; or
- the country in which the non-resident foreign corporation is domiciled allows a credit equivalent to 15% against the tax due from the non-resident corporation taxes which are deemed to have been paid in the Philippines.

The BIR has prescribed, through an administrative issuance, procedures for availment of tax treaty relief. Subject to the approval by the BIR of a corporation's application for tax treaty relief, the corporation will withhold taxes at a reduced rate on dividends paid to a non-resident holder of the Common Shares if such nonresident holder provides the corporation with proof of residence and, if applicable, individual or corporate status. Proof of residence for an individual consists of a certification from his embassy, consulate or other proper authority as to his citizenship and residence. Proof of residence and corporate status for a corporation consists of authenticated copies of its articles of association, or other equivalent certifications issued by the proper government authority, or any other official document proving residence. If the regular rate of tax is withheld by the corporation instead of the reduced rates applicable under a treaty, the non-resident holder of the Common Shares may file a claim for a refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information, and may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund.

The term "non-resident holder" means a holder of the Common Shares:

- who is an individual who is neither a citizen nor a resident of the Philippines or an entity which is a foreign corporation not engaged in trade or business in the Philippines; and
- should a tax treaty be applicable, whose ownership of the Common Shares is not effectively connected with a fixed base or a permanent establishment in the Philippines.

Stock dividends distributed pro rata to any holder of shares are not subject to Philippine income tax. However, the sale, exchange or disposition of shares received as share dividends by the holder is subject to either capital gains tax and documentary stamp tax or stock transaction tax.

SALE, EXCHANGE OR DISPOSITION OF SHARES

Taxes on Transfer of Shares Listed and Traded at the Philippine Stock Exchange

Sales, exchanges or other dispositions of the Common Shares which are effected through the PSE by persons other than a dealer in securities are subject to a stock transaction tax at the rate of 6/10 of 1% based on the gross selling price or gross value in money of the Common Shares. This tax is required to be collected by and paid to the Philippine government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax in lieu of a capital gains tax. Notwithstanding its classification as a percentage tax, exemptions from capital gains tax may also apply to the stock transaction tax under the terms of some tax treaties.

In addition, a value-added tax of 12% is imposed on the commission earned by the PSE registered broker, which tax is generally passed on to the client.

The Bureau of Internal Revenue has effectively expanded the application of the capital gains tax by extending it even to trades through the stock exchange of shares of listed companies which do not maintain their public ownership requirement. The BIR, in a letter dated 28 December 2010 addressed to the SEC, stated that it would “strictly impose the capital gains tax” for trades in listed companies “who will not maintain their public ownership requirement”, said public ownership requirement being the 10% to 33% public ownership levels (based on the listed company’s market capitalization) required for an initial public offering or IPO. This BIR letter was referred to the PSE by the SEC on 3 January 2011. The PSE subsequently issued a memorandum dated 20 January 2011 in response to the SEC on the BIR’s statements. The PSE noted that the Tax Code imposes a stock transaction tax of 6/10 of 1% of the gross selling price or gross value in money of shares of stock listed and traded on the PSE, without qualification and that the power of the Secretary of Finance to promulgate rules and regulations implementing the Tax Code should be confined to the details for the implementation of the law and does not include the power to amend the law.

Regardless, on 7 November 2012, the BIR issued regulations which provided that the tax treatment of sales or other dispositions of shares of stock of publicly listed companies which fail to meet the minimum public ownership after 31 December 2012 shall be subject to the capital gains tax and the documentary stamp tax. On 5 December 2017, the SEC issued Memorandum Circular No. 13, Series of 2017, set the minimum public ownership to 20%.

Capital Gains Tax, if sale was made outside the PSE

A final tax at the rate of 15% shall be imposed on the net capital gains realized by a resident or non-resident, other than a dealer of securities, during the taxable year, from the sale, exchange or other disposition of shares of stock in a domestic corporation outside of the facilities of the PSE, unless preferential rates under a specific tax treaty applies.

For the preferential tax rates under specific tax treaties to apply, an application for tax treaty relief must be filed with and approved by the BIR.

Note that, if the fair market value of the shares of stock sold is greater than the actual consideration or selling price, the amount by which the fair market value of the shares exceeds the selling price may be deemed a gift subject to 6% donor’s tax under applicable provisions of the Tax Code, as amended, if the same exceeds ₱250,000.

Net capital gains realized by a resident or non-resident other than a dealer in securities during each taxable year from the sale, exchange or disposition of shares outside the facilities of the PSE, unless an applicable treaty exempts such gains from tax or provides for preferential rates, are subject to a final tax rate of 15%, unless an applicable treaty exempts such gains from tax or provides for preferential rates

The net capital gains realized by a resident foreign corporation or non-resident foreign corporation other than a dealer in securities during each taxable year from the sale, exchange or disposition of shares outside the facilities of the PSE, unless an applicable treaty exempts such gains from tax or provides

for preferential rates, are subject to tax as follows: 5.0% on gains not exceeding ₱100,000 and 10% on gains over ₱100,000.

An application for tax treaty relief must be filed with and approved by the BIR to obtain an exemption under a tax treaty.

The transfer of shares shall not be recorded in the Company's books unless the BIR certifies that the capital gains and documentary stamp taxes relating to the sale or transfer have been paid or, where applicable, tax treaty relief has been confirmed by the International Tax Affairs Division of the BIR in respect of the capital gains tax or other conditions have been met.

DOCUMENTARY STAMP TAX

Under the Tax Code, certain documents, instruments, papers, acceptances, assignments, sales and transfers of obligations, rights or property are subject to documentary stamp tax. Documentary stamp tax will be levied, collected and paid for by the person making, signing, issuing, accepting or transferring the document, wherever the document is made, signed, issued, accepted or transferred, when the relevant obligation or right arises from a Philippine source or the relevant property is situated in the Philippines.

The Tax Code, as amended, imposes documentary stamp tax on all original issuances of shares of stock at a uniform rate of ₱2.00 for each ₱200.00, or fractional part thereof, of the par value of such shares of stock or, in the case of no-par value shares, the actual consideration for the issuance of the shares. The original issuance of the Offer Shares will therefore be subject to documentary stamp tax at this rate based on the issue price of Offer Shares. The documentary stamp tax due on the original issuance of Offer Shares will be for the account of the Company.

Transfers of shares of stock by assignment in blank, delivery, or by any paper, agreement or memorandum or other evidence of transfer or sale (including to secure the future payment of money or for the future transfer of stock) are subject to documentary stamp tax at the rate of ₱1.50 for each ₱200, or fractional part thereof, of the par value of such shares of stock, or at an amount equivalent to 25% of the documentary stamp tax paid upon the issuance of the shares in the case of no par value shares. Accordingly, subsequent transfers or dispositions of Offer Shares, if treated as shares of stock for tax purposes, will be subject to documentary stamp tax at these rates.

The sale, barter or exchange of shares listed and traded through the PSE is exempt from documentary stamp tax.

The borrowing and lending of securities under the securities borrowing and lending program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority, are exempt from documentary stamp taxes, provided that any borrowing or lending of securities agreement is covered by a master securities borrowing and lending agreement acceptable to the appropriate regulatory authority and should be duly registered and approved by the BIR.

ESTATE AND GIFT TAXES

The transfer of the Common Shares upon the death of a registered holder to his heirs by way of succession, whether such an individual was a citizen of the Philippines or an alien, regardless of residence, will be subject to Philippine estate tax at the rate of 6%.

Individual registered holders and corporate registered shareholders, whether or not citizens or residents of the Philippines, who transfer Common Shares by way of gift or donation will be liable for Philippine donor's tax on such transfers at the rate of 6% if the total net gifts made during the calendar year exceed ₱250,000.

Estate and gift taxes will not be collected in respect of intangible personal property, such as Common Shares of stock

- (i) if the deceased at the time of death, or the donor at the time of donation, was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or

- (ii) if the laws of the foreign country of which the deceased or the donor was a citizen and resident at the time of his death or donation allow a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

Statements made concerning taxation laws in the Philippines are based on those laws currently in force as of the date of this Prospectus and do not consider any changes in law occurring after such date. This summary is not and does not purport to be a comprehensive description of all the tax implications relevant to any decision to invest in the Offer Shares. It also does not deal with the tax implications applicable to all types and categories of investors, some of which may be subject to specific laws and regulations. Interested buyers of the Offer Shares are advised to consult their own tax advisers concerning the tax implications of their investment in the Offer Shares.

TAXATION OUTSIDE THE PHILIPPINES

Shares of stock in a domestic corporation are considered under Philippine law as situated in the Philippines and the gain derived from their sale is entirely from Philippine sources; hence, such gain is subject to Philippine income tax and capital gains tax and the transfer of such shares by gift (donation) or succession is subject to the donors' or estate taxes stated above. Sales or other dispositions of shares of stock in a domestic corporation through the facilities of the PSE by a resident or a non-resident holder, other than a dealer in securities, are, however, subject to a stock transaction tax at the rate of 0.50% of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed, unless an applicable treaty exempts such sale from the stock transaction tax.

The tax treatment of a non-resident holder of shares of stock in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax consideration on non-resident holders of shares of stock under laws other than those of the Philippines. Each prospective holder should consult his own tax adviser as to the particular tax consequences to such holder of purchasing, owning and disposing of the Subject Shares, including the applicability and effect of any state, local and national laws.

LEGAL MATTERS

Certain legal matters as to Philippine law relating to the Offer will be passed upon by Pacis & Reyes, legal counsel to the Company, and Picazo Buyco Tan Fider & Santos, legal counsel to the Issue Manager, Underwriter, and Bookrunner. None of the above mentioned advisers have any direct or indirect interest in the Company arising from the Offer.

INTERESTS OF NAMED EXPERTS AND COUNSEL

The financial statements of the Company were audited by BDO Roxas Cruz Tagle and Co. (formerly Alba Romeo & Co.) for the years ended 31 December 2016, 2017, and 2018. Ms. Maria Carmina A. Ussher is the audit partner for the Company for the year 2018. Said external auditor has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and the Professional Regulation Commission.

The validity of the Offer Shares, tax matters, and other matters concerning the Offer were passed upon for the Company by The Law Firm of De Guzman Leynes Rivera and Partners, the independent legal counsel of the Company. The independent legal counsel has no shareholdings or any interest, direct or indirect, in the Company, or any right, whether legally enforceable or not to nominate persons or to subscribe to the securities of the Company in accordance with the standards on independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines.

The named external auditors and the independent legal counsel have not acted and will not act as promoter, underwriter, voting trustee, officer or employee of the Company.

EXTERNAL AUDIT FEES AND SERVICES

The following table sets out the aggregate fees billed for each of the last three (3) fiscal years for the professional services rendered by the Company's external auditors:

Particulars	Nature	Audit Fees (PHP)		
		For the years ended December 31		
		2016	2017	2018
BDO Roxas Cruz Tagle and Co. (formerly Alba Romeo & Co.)	Audit of Financial Statements	395,600.00	320,000.00	1,101,240

Except for the preparation of the financial statements required for the Company's annual filing with the SEC and the submission of the required financial statements in relation to the registration of its securities, the afore-cited independent public accountants provide no other type of services.

In relation to the audit of the Company's annual financial statements, the Company's Audit Committee shall, among other activities, (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of our policies, controls, processes and activities; (ii) ensure that other non-audit work provided by the external auditors, if any, are not in conflict with their functions as external auditors; and (iii) ensure our compliance with acceptable auditing and accounting standards and regulations.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS

The Company has not had any disagreements with its internal auditor/independent accountant on any matter of accounting principles or practices, financial statements, disclosure or auditing scope or procedure.

ANNEXES

1. Jun. 30, 2019 Unaudited Interim Financial Statements
2. Dec. 31, 2018 Audited Financial Statements
3. Dec. 31, 2017 Audited Financial Statements
4. Dec. 31, 2016 Audited Financial Statements

PARTIES TO THE OFFER

Issuer	: ITALPINAS DEVELOPMENT CORPORATION Unit 28C, BPI Philamlife Building, 6811 Ayala Ave, Makati, 1226 Metro Manila, Philippines
Underwriter and Issue Manager	: UNICAPITAL, INC. 3/F Majalco Building, Benavidez cor. Trasierra Streets, Legaspi Village, 1229 Makati City, Philippines
Legal Counsel to the Issuer	: PACIS & REYES 8/F Chatham House Building, Valero Corner Rufino Streets, Salcedo Village, Makati City, Philippines
Legal Counsel to the Underwriter	: PICAZO BUYCO TAN FIDER & SANTOS Liberty Center, 104 H.V. dela Costa Street Salcedo Village, Makati City, Philippines
Independent Legal Counsel	: THE LAW FIRM OF DE GUZMAN LEYNES RIVERA AND PARTNERS Suite 3002-D, 30/F, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Philippines 1605
Auditors	: BDO ROXAS CRUZ TAGLE AND CO. (FORMERLY ALBA ROMEO & CO.) 7/F Multinational Bancorporation Centre 6805 Ayala Avenue, Makati City, 1226 Philippines
Selling Agents	: TRADING PARTICIPANTS OF THE PHILIPPINE STOCK EXCHANGE, INC.
Stock Transfer Agent / Receiving Agent	: BDO UNIBANK, INC. – TRUST AND INVESTMENT GROUP BDO Corporate Center 7899 Makati Avenue, Makati City 0726, Philippines