[Note: for the website only. NOT to be included in the printed version of the Prospectus:]

The Prospectus is being displayed on the website to make the Prospectus accessible to more investors. The Philippine Stock Exchange, Inc. ("PSE") assumes no responsibility for the correctness of any statements made or opinions or reports expressed in the Prospectus. Furthermore, the PSE makes no representation as to the completeness of the Prospectus and disclaims any liability whatsoever for any loss arising from or in reliance in whole or in part on the contents of the Prospectus.

PRELIMINARY PROSPECTUS

ARTHALAND

BUILDING SUSTAINABLE LEGACIES

ARTHALAND CORPORATION

(A corporation organized and existing under Philippine laws)
7th Floor ArthaLand Century Pacific Tower
5th Avenue Corner 30th Street
Bonifacio Global City, Taguig City
Telephone Number (632) 403-6910

Offer in the Philippines of [up to] 4,000,000 cumulative, non-voting, non-participating, non-convertible, and redeemable Peso-denominated Series F Preferred Shares
with an Oversubscription Option of up to 2,000,000 Series F Preferred Shares

With a Dividend Rate of [•]per annum
at an Offer Price of ₱500.00 per Series F Preferred Share

to be listed and traded on the Main Board of The Philippine Stock Exchange, Inc.

Sole Issue Manager, Lead Underwriter and Bookrunner

BDO Capital[1]

Selling Agents

The Trading Participants of The Philippine Stock Exchange

THE 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.

This Preliminary Prospectus is dated September [17], 2024.

[1] BDO Capital & Investment Corporation is a subsidiary of BDO Unibank, Inc. BDO Unibank, Inc. is one of the lenders to be repaid from the net proceeds of this Offer.

ARTHALAND CORPORATION
7th Floor Arthaland Century Pacific Tower
5th Avenue Corner 30th Street
Bonifacio Global City, Taguig City, Philippines
Telephone: (+632) 403 6910

http://www.arthaland.com

This Prospectus relates to the offer (the "**Offer**") in the Philippines of cumulative, non-voting, non-participating, non-convertible, and redeemable Peso-denominated Preferred Shares of Arthaland Corporation ("**ALCO**", the "**Company**", or the "**Issuer**"), a corporation duly organized and existing under Philippine law, subject to the registration requirements of the Securities and Exchange Commission of the Philippines (the "**SEC**").

The Offer shall consist of up to 4,000,000 Series F Preferred Shares or ₱2,000,000,000 (the "**Base Offer**"), and in the event of an oversubscription, BDO Capital & Investment Corporation in its capacity as Lead Underwriter for the Offer, with the consent of the Company, may increase the size of the Offer by up to an additional 2,000,000 Series F Preferred Shares or up to ₱1,000,000,000 (the "**Oversubscription Option**", and the Series F Preferred Shares pertaining to such option the "**Oversubscription Option Shares**") resulting in an aggregate issue size of up to 6,000,000 Series F Preferred Shares or up to ₱3,000,000,000 (the "**Offer**", and the preferred shares subject of the Offer, collectively, the "**Offer Shares**" or the "**Series F Preferred Shares**"). In the event that the Oversubscription Option is not exercised, the Oversubscription Option Shares will not be offered and remain unissued.

On February 12, 2024, the Company filed an application with the SEC for the amendment of its Articles of Incorporation to increase its authorized capital stock by ₱50,000,000.00 or from ₱2,976,257,135.82 to ₱3,026,257,135.82 through the creation of 50,000,000 preferred shares with a par value of ₱1.00 per share (the "**SEC Amendment**").

After the approval of the SEC Amendment on August 14, 2024 and as of the date of this Prospectus, ALCO has an authorized capital stock of ₱3,026,257,135.82 consisting of 16,368,095,199 common shares with a par value of ₱0.18 per Common Share and 80,000,000 preferred shares with a par value of ₱1.00 per preferred share. Out of such authorized capital stock (as increased following the SEC Amendment), (i) a total of 5,318,095,199 common shares have been subscribed and fully paid-up, (ii) a total of 12,500,000 preferred shares have been subscribed and fully paid-up (the "**Series A Preferred Shares**"), (iii) a total of 6,000,000 cumulative, non-voting, non-participating, non-convertible, redeemable, Peso-denominated Preferred Shares (the "**Series D Preferred Shares**") have been subscribed and fully paid-up and (iv) a total 14,000,000 preferred shares have been subscribed and fully paid-up (the "**Series E Preferred Shares**"). The Series F Preferred Shares will be issued from the unissued authorized capital stock (as increased following the SEC Amendment).

Following the Offer, the Company will have 5,318,095,199 outstanding Common Shares and 36,500,000 Preferred Shares. Assuming the Oversubscription Option is exercised in full, the Company will have 5,318,095,199 outstanding Common Shares and 38,500,000 Preferred Shares.

The Company estimates that, assuming the Oversubscription Option is not exercised, the net proceeds from the Offer shall amount to approximately ₱1,971,877,987, after deducting fees, commissions and expenses. The Company estimates that, assuming full exercise of the Oversubscription Option, the net proceeds from the Offer shall amount to approximately ₱2,964,489,566, after deducting fees, commissions and expenses. The amount of ₱1,000,000,000 from the net proceeds of the Offer shall be used to repay a short-term loan from BDO Unibank, Inc. ("**BDO**"), the proceeds of which were used to redeem Series C Preferred Shares in June 2024 and ₱971,877,987 will be used to fund the required investment from ALCO into a project company that will acquire and develop the property for Project Teal (as described below). Assuming the Oversubscription Option is fully exercised, ₱1,000,000,000 of the net proceeds shall be used to repay a short-term loan from BDO used to redeem the Series C Preferred Shares, ₱1,140,000,000 will be used to fund the required investment from ALCO into a project company that will acquire and develop the property for Project Teal and the remaining amount will be used to partially fund loan repayments with BDO and other general corporate purposes.For a more detailed discussion on the use of proceeds, see "Use of Proceeds" of this Prospectus.

ALCO has not adopted a specific dividend payout policy. Dividends may be declared at the discretion of the Board of Directors ("**BOD**") of the Company and will depend upon the future results of its 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 BOD may deem relevant. Similarly, the subsidiaries of ALCO may declare dividends at the discretion of their respective boards of directors and such dividend declaration will depend upon the future results of operations and general financial condition, capital requirements, their ability to receive dividends and other distributions and payments from their respective subsidiaries, foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations and other factors their respective boards of directors may deem relevant. For a more detailed discussion on dividends and the dividend policy of the Company, see "Dividends and Dividend Policy" in the Prospectus.

The underwriting fees and any selling fees to be paid by the Company in relation to the Offer shall be equivalent to 55 basis points of the gross proceeds of the Offer grossed up for applicable withholding taxes or effectively 57.9 basis points of the gross proceeds of the Offer. This shall be inclusive of underwriting fees to be paid to BDO Capital & Investment Corporation in its capacity as the lead underwriter (the "**Lead Underwriter**") which shall be equivalent to 42.5 basis points of the gross proceeds of the Offer. This shall also be inclusive of any commissions to be paid to the PSE Trading Participants (the "**Selling Agents**"), which commissions shall be equivalent to 12.5 basis points of the final allocated amount of Offer Shares to each participating trading participant. For a more detailed discussion on the fees to be received by the Lead Underwriter and the Selling Agents, see "Plan of Distribution" of this Prospectus.

Upon listing, the Series F Preferred Shares will be traded under the symbol "ALCPF".

The Company reserves the right to withdraw the offer and sale of the Series F Preferred Shares at any time before the commencement of the Offer Period, and the right to reject any application to purchase the Series F Preferred Shares in whole or in part and to allot to any prospective purchaser less than the full amount of the Series F Preferred Shares sought by such purchaser. If the Offer is withdrawn or discontinued, the Company shall subsequently notify the SEC and the PSE. The Lead Underwriter, and the Selling Agents may acquire for their own account a portion of the Series F Preferred Shares.

It is expected that the Series F Preferred Shares will be delivered in book-entry form against payment thereof to the Philippine Depository & Trust Corp. All disclosures, reports, and filings of the Company made after the date of the Prospectus (the "**Company Disclosures**") and submitted to the SEC and/or the PSE pursuant to the Revised Corporation Code, the Securities Regulation Code and its implementing regulations, and the Consolidated Listing and Disclosure Rules of the PSE are incorporated or deemed incorporated by reference in this Prospectus. Copies of the Company Disclosures may be viewed at the website of the Company at www.arthaland.com.ph. The Company Disclosures contain material and meaningful information relating to the Company and investors should review all information contained in this Prospectus, and the Company Disclosures incorporated or deemed incorporated herein by reference.

The Company owns land as identified in the section on "Description of Property". In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60.0% of whose capital is owned by such citizens. Accordingly, ownership of shares by foreign nationals in the Company shall be subject to the applicable foreign equity ownership limitation.

No dealer, salesman or any other person has been authorized to give any information or to make any representation not contained in this Prospectus. If given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Lead Underwriter, as well as any Selling Agents that may be engaged by the Company for the Offer.

The distribution of this Prospectus and the offer and sale of the Series F Preferred Shares may, in certain jurisdictions, be restricted by law. The Company and the Lead Underwriter require persons into whose possession this Prospectus comes, to inform themselves of 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 affecting them personally. This Prospectus does not constitute an offer of any securities, or any offer to sell, or a solicitation of any offer to buy any securities of the Company in any jurisdiction, to or from any person whom it is unlawful to make such offer in such jurisdiction.

Unless otherwise stated, the information contained in this Prospectus has been supplied by the Company. The Company (which has taken all reasonable care to ensure that such is the case) confirms that the information contained in this Prospectus is correct, and that there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect. The Company accepts full and sole responsibility for the accuracy of the information contained in this Prospectus.

The Company and the Lead Underwriter have exercised due diligence in ascertaining that all material representations contained in this Prospectus are true and correct and that no material information was omitted which was necessary in order to make the statements contained in said documents not misleading.

Unless otherwise indicated, all information in the Prospectus is as of the date hereof.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 and its subsidiaries since such date.Market data and certain industry forecasts used throughout this Prospectus were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that 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, neither the Company nor the Lead Underwriter makes any representation, undertaking or other assurance as to the accuracy or completeness of such information or that any projections will be achieved, or in relation to any other matter, information, opinion or statements in relation to the Offer. Any reliance placed on any projections or forecasts is a matter of commercial judgment. Certain agreements are referred to in this Prospectus in summary form. Any such summary does not purport to be a complete or accurate description of the agreement and prospective investors are expected to independently review such agreements in full.

This Prospectus is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by either the Issuer, the Lead Underwriter or their respective affiliates or legal advisers that any recipient of this Prospectus should purchase the Series F Preferred Shares. Each person contemplating an investment in the Series F Preferred Shares should make his own investigation and analysis of the creditworthiness of ALCO and his own determination of the suitability of any such investment. The risk disclosure herein does not purport to disclose all the risks and other significant aspects of investing in the Series F Preferred Shares. A person contemplating an investment in the Series F Preferred Shares should seek professional advice if he or she is uncertain of or has not understood any aspect of the securities or the nature of risks involved in trading of securities, especially those high-risk securities. Investing in the Series F Preferred Shares involves a higher degree of risk compared to debt instruments. For a discussion of certain factors to be considered in respect of an investment in the Series F Preferred Shares, see the section on “Risk Factors”.

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 GIVEN AFTER THE EFFECTIVE DATE. 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.

[Signature page follows.]

ARTHALAND CORPORATION

By:

JAIME C. GONZÁLEZ
President

REPUBLIC OF THE PHILIPPINES)
CITY OF) s.s.

SUBSCRIBED AND SWORN to before me this [•], 2024 in [•], affiant exhibiting to me his Passport No. [•] expiring on [•] as competent evidence of identity.

Doc No. : ________.
Page No. : ________.
Book No. : ________.
Series of 2024.

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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 which may cause actual results, performance or achievements of ALCO to be materially different from any future results;
- performance or achievements expressed or implied by forward looking statements;
- the Company's goals for or estimates of its future operational performance and results;
- the Company's dividend policy; and
- changes in the Company's regulatory environment including, but not limited to, policies, decisions and determinations of governmental or regulatory authorities.

Such forward-looking statements are based on assumptions regarding the present and future business strategies and the environment in which ALCO will operate in the future. Important factors that could cause some or all 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 ability of ALCO to successfully implement its strategies;
- the ability of ALCO to anticipate and respond to consumer trends;
- changes in the availability of targeted real estate;
- the Company's and its contractors' ability to complete projects on time and within budget;
- the ability of ALCO to successfully manage its growth;
- the condition and changes in the Philippines, Asian or global economies;
- any future political instability in the Philippines, Asia or other regions;
- changes in interest rates, inflation rates and the value of the Peso against the U.S. Dollar and other currencies;
- changes in government regulations, including tax laws, or licensing requirements in the Philippines, Asia or other regions; and
- changes in the Philippine real estate market and the demand for the Company's residential, commercial and office developments.

Additional factors that could cause actual results, performance or achievements of ALCO to differ materially 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. ALCO and the Lead Underwriter 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 expectations of ALCO with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.

This Prospectus includes forward-looking statements, including statements regarding the expectations and projections of ALCO for future operating performance and business prospects. The words "believe", "expect", "anticipate", "estimate", "project", "may", "plan", "intend", "will", "shall", "should", "would" and 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 ALCO accurately reflect in all material respects the opinions, beliefs and intentions of the management of ALCO as to such matters at the date of this Prospectus, although ALCO can give 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 expectation of ALCO. All subsequent written and oral forward-looking statements attributable to either ALCO or persons acting on behalf of ALCO are expressly qualified in their entirety by these cautionary statements.

Definition of Terms

In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set forth below. Additional defined terms are set out in the section "Terms of the Offer" in this Prospectus.

ACPT	:	Arthaland Century Pacific Tower
Affiliate	:	With respect to any Person, any other Person directly or indirectly Controlling, Controlled by or under common Control with, such Person.
ALCO, Arthaland the Company, or the Issuer	:	Arthaland Corporation
AOCH1	:	AO Capital Holdings 1, Inc.
Applicable Law	:	(i) Any statute, decree, constitution, regulation, rule, order or any directive of any Governmental Authority; (ii) any treaty, pact, compact or other agreement to which any Governmental Authority is a signatory or party; (iii) any judicial or administrative interpretation or application of any law described in clause (i) or (ii) above; and (iv) any amendment or revision of any law described in clause (i), (ii) or (iii) above.
Application to Purchase	:	The agreement by which the applicant agreed to purchase the Series F Preferred Shares
APPS		Arthaland Prestige Property Solutions, Inc. (APPS) (formerly Emera Property Management, Inc.)
Arch Capital	:	Arch Capital Management Company, Ltd.
Arch SPV	:	Rock & Salt B.V.
Arch SPV 2	:	Narra Properties Investment Pte. Ltd., a corporation managed by Arch Capital.
Arcosouth	:	Arcosouth Development Inc.
Arya	:	Arya Residences
Banking Day	:	A day, other than Saturday, Sunday and public holidays on which commercial banks, the PhilPass and the Philippine Clearing House Corporation are generally open for the transaction of business in Metro Manila; provided that all other days unless otherwise specified herein shall mean calendar days which shall be construed as successive periods of twenty-four (24) hours each.
BDO Capital	:	BDO Capital & Investment Corporation.
BERDE	:	Building for Ecologically Responsive Design Excellence

BGC	:	Bonifacio Global City
Bhavana	:	Bhavana Properties, Inc.
Bhavya	:	Bhavya Properties, Inc.
BIR	:	Philippine Bureau of Internal Revenue
BOD	:	Board of Directors of ALCO
BPO	:	Business Process Outsourcing
Cazneau	:	Cazneau, Inc.
CBD	:	Central Business District
CCT	:	Condominium Certificate of Title
CLLC	:	Cebu Lavana Land Corp.
Company Disclosures	:	All disclosures, reports, and filings of the Company and submitted to the SEC, the PSE, and the PDEx pursuant to the Revised Corporation Code, the Securities Regulation Code, the Revised Disclosure Rules of the PSE, and the Disclosure Rules of the PDEx.
Consolidated Equity	:	The total stockholders' equity of the Issuer as of the relevant date for calculation (for the avoidance of doubt, including non-controlling interests) as recognized and measured in its fiscal year-end audited consolidated financial statements and quarter-end unaudited consolidated financial statements, as may be applicable and available in accordance with Applicable Law, both in conformity with PFRS.
Control	:	The possession, directly or indirectly, by a Person of the power to direct or cause the direction of the management and policies of another Person whether through the ownership of voting securities or otherwise; provided, however, that the direct or indirect ownership of over fifty percent (50%) of the voting capital stock, registered capital or other equity interest of a Person is deemed to constitute control of that Person, and "**Controlling**" and "**Controlled**" have corresponding meanings.
CPG	:	CPG Holdings, Inc.
CREATE Law	:	Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises Act
Current Assets	:	The total of (as of the relevant date for calculation) cash and cash equivalents, financial assets at fair value through profit and loss, receivables, inventories (including real estate for sale), and other current assets that are classified as current assets in the Issuer's consolidated financial statements prepared in accordance with PFRS.

Current Liabilities : The total of (as of the relevant date for calculation) debt, accounts payables, and other obligations that are classified as current liabilities in the Issuer's consolidated financial statements prepared in accordance with PFRS.

Current Ratio : The ratio of Current Assets to Current Liabilities.

DAR : Department of Agrarian Reform

Debt-to-Equity Ratio : The result obtained by dividing (i) the amount of interest-bearing (current and non-current) debt of the Issuer by (ii) the Consolidated Equity of the Issuer, in each case as appearing in the Issuer's latest consolidated audited balance sheet; provided:

(a) that if the Issuer or any of its subsidiaries issues preferred shares which are (1) either mandatorily redeemable at a fixed date, or redeemable at the option of the holder of the preferred shares, and (2) the Issuer or any of its subsidiaries is obliged to make payments in the form of either interest or dividends, or the terms and conditions of the issuance of the preferred shares oblige the Issuer to distribute a specific percentage of profits, then such preferred shares shall be categorized as liabilities falling under (i) hereof; otherwise, where such preferred shares do not have any of the features described in (a)(1) and (a)(2), such preferred shares shall be classified as part of Consolidated Equity when computing Debt-to-Equity Ratio; and

(b) interest-bearing shareholder advances or loans covered by a subordination instrument subordinating such advances or loans to senior Indebtedness shall not be categorized as liabilities falling under (i) and shall be classified as part of Consolidated Equity when computing Debt-to-Equity Ratio.

DENR : Department of Environment and Natural Resources

DHSUD : Department of Human Settlements and Urban Development

ECC : Environmental Compliance Certificate

EDGE : International Finance Corporation's Excellence in Design for Greater Efficiencies

GDP : Gross Domestic Product

GFA : Gross Floor Area, which is the total floor space within the perimeter of the permanent external building walls (inclusive of main and auxiliary buildings) such as office areas, residential areas, corridors, lobbies and mezzanine level/s. The GFA shall also include building projections which may serve as floors or platforms that are directly connected to/integrated with areas within the building/structure, e.g., balconies and the GFA excludes the following:

		(a) Covered areas used for parking and driveways, services and utilities; (b) Vertical penetrations in parking floors where no residential or office units are present; and (c) Uncovered areas for helipads, air-conditioning cooling towers or air-conditioning condensing unit balconies, overhead water tanks, roof decks, laundry areas and cages, wading or swimming pools, whirlpool or jacuzzies, terraces, gardens, courts or plazas, balconies exceeding ten square meters, fire escape structures and the like.
Grade A	:	Also referred to as premium buildings, which are buildings that have the highest standard in terms of (i) design, (ii) location, (iii) property management, and (iv) amenities.
H1	:	First half
H2	:	Second half
IFC	:	International Finance Corporation
Issue Price	:	₱500.00 per share
ITAD	:	International Tax Affairs Division of the Bureau of Internal Revenue
ITH	:	Income Tax Holiday
IWBI	:	International Well Building Institute
Kashtha	:	Kashtha Holdings, Inc.
LEED	:	US Green Building Council's Leadership in Energy and Environmental Design Program, a world standard for green buildings and sustainable developments
LEED ND		LEED for Neighborhood Development
MCIT	:	Minimum Corporate Income Tax
MPI	:	Manchesterland Properties, Inc.
NAPOCOR	:	National Power Corporation
NHMFC	:	National Home Mortgage Finance Corporation
NLA	:	Net Leasable Area, which is the total leasable area that includes but not limited to all internal walls, mezzanines, bathrooms, pipe chases, columns and balconies depending on a specific project's terms of reference
NSA	:	Net Saleable Area, which is the total saleable area that includes but is not limited to all internal walls, mezzanines, bathrooms, pipe

		chases, columns and balconies depending on a specific project's terms of reference
OLSA	:	Omnibus Loan and Security Agreement
PAS	:	Philippine Accounting Standards
Paying Agent	:	The party engaged by the Company to serve as paying agent for the Series F Preferred Shares
PD 957	:	Presidential Decree No. 957, as amended
PDTC	:	Philippine Depository and Trust Corporation
Pesos, ₱, Php and Philippine Currency	:	The legal currency of the Republic of the Philippines
PEZA	:	Philippine Economic Zone Authority
PFRS	:	Philippine Financial Reporting Standards
PGBC	:	Philippine Green Building Council
Philippines	:	The Republic of the Philippines
PhilPass	:	Philippine Payments and Settlements System
PIFITA	:	Passive Income and Financial Intermediary Taxation Act
Pradhana	:	Pradhana Land, Inc.
POC	:	Percentage of Completion
PSE	:	The Philippine Stock Exchange
PSE EDGE	:	Electronic Disclosure Generation Technology, the disclosure system of the PSE
Q1	:	First quarter
Q2	:	Second quarter
Q3	:	Third quarter
Q4	:	Fourth quarter
Receiving Agent	:	The party engaged by the Company to serve as receiving agent for the Series F Preferred Shares
Record Date	:	As used with respect to any Payment Date shall mean the day which is two (2) Banking Days prior to the relevant Interest Payment Date; provided that if such day falls on a non-Banking Day, the Record Date shall be the next Banking Day immediately preceding said date. The terms "Payment Date", "Banking Days" and "Interest

		Payment Date" shall have the meanings given to them under the "Terms of the Offer".
Receiving Agency and Paying Agency Agreement	:	The document to be executed between the Company and the Receiving and Paying Agent for the Series F Preferred Shares.
REIT Law	:	Republic Act No. 9856 or the Real Estate Investment Trust (REIT) Act of 2009
Revised REIT IRR	:	SEC Memorandum Circular No. 1, Series of 2020 or the Revised Implementing Rules and Regulations of Republic Act No. 9856.
SLC	:	Sotern Land Corporation
SLDC	:	Savya Land Development Corporation
SEC	:	Philippine Securities and Exchange Commission
SEC Permit to Sell	:	The Permit to Sell issued by the SEC in connection with the Offer
SIPP	:	Strategic Investment Priority Plan
SOM	:	Skidmore, Owings & Merrill
SOPI	:	Signature Office Property, Inc.
Sqm	:	Square meters
SRC	:	The Securities Regulation Code of the Philippines (Republic Act No. 8799), as the same maybe amended or supplemented from time to time.
Subsidiary	:	In respect of any Person, any entity: (i) over fifty percent (50%) of whose capital is owned directly by that Person; (ii) for which that Person may nominate or appoint a majority of the members of the BOD or such other body performing similar functions; or (iii) over which that Person is in possession, directly or indirectly, of the power to direct or cause the direction of its management and policies.
Stock Transfer Agent	:	The party engaged by the Company to serve as the stock transfer agent for the Series F Preferred Shares
Tax Code	:	Republic Act No. 8424, otherwise known as the National Internal Revenue Code of 1997, and its implementing rules and regulations, as amended from time to time.
TTRA	:	Tax Treaty Relief Application
Trading Day	:	A day when the PSE is open for business
UPHI	:	Urban Property Holdings, Inc.
USGBC	:	US Green Building Council

WELL	:	WELL Building Standards, the certification program of the International Well Building Institute
ZLDC	:	Zileya Land Development Corporation

Executive Summary

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and audited financial statements, including notes thereto, found in the appendices of this Prospectus.

Prospective investors should read this entire Prospectus fully and carefully, including the section on "Risk Factors". In case of any inconsistency between this summary and the more detailed information in this Prospectus, then the more detailed portions, as the case may be, shall at all times prevail.

BRIEF BACKGROUND OF THE COMPANY

ARTHALAND CORPORATION is a world-class boutique real estate developer of enduring and sustainable properties recognized internationally as the best residential and green developments[2]. ALCO is building its mark in the Philippine real estate market by its unwavering commitment to sustainability and innovation, and by developing and managing properties that adhere to the global and national standards in green buildings.

ALCO is the recipient of various awards in the Philippines and in Asia. It was recognized as the *Best Boutique Developer (Philippines)* by the Asia Property Awards and the Philippines Property Awards in 2018. In 2019, the Company received three more recognitions from the Philippines Property Awards including *Special Recognition in Sustainable Development, Special Recognition in Design and Construction* and *Special Recognition in CSR*. In 2023, the Company was recognized as an EDGE Champion by the International Finance Corporation (IFC) in the EDGE Champions Summit Asia 2023 held in Singapore for accelerating the adoption of green building option in the Philippines.

In the same year, Arthaland's P3 billion Tranche 2 ASEAN Green Bonds offering was awarded Green Project Deal of the Year under the category Best Deals – ASEAN in The Asset Triple A Sustainable Infrastructure Awards 2023. While in 2020, Arthaland's P3 billion Tranche 1 ASEAN Green Bond offering was also awarded Best Local Currency Green Bond under the category Deal of the Year – Real Estate in The Asset Triple A Sustainable Capital Markets Regional Awards 2020.

ALCO's flagship projects likewise received recognition locally and internationally. *Arya Residences* ("**Arya**") was awarded *Best Green Feature Development* by the Japan International Property Awards (2018), *Best Residential High-Rise Development (Philippines)* by the Asia Pacific Property Awards (2014), and *Best Condo Development (Philippines)* by the South East Asia Property Awards (2012). Arthaland Century Pacific Tower ("**ACPT**") likewise received awards including *Best Office Development and Best Green Development* from the Philippines Property Awards (2019), *Best Commercial Green Development in Asia* from the Asia Property Awards (2019) and *Best Green Feature Development* from the Japan International Property Awards (2019). *Cebu Exchange*, on the other hand, was also awarded *Best Office High Rise Development* from the Japan International Property Awards (2019).

ALCO was incorporated on August 10, 1994[3] for the primary purpose of engaging in the realty development business, including home building and development, and to deal, engage, invest and transact, directly or indirectly, in all forms of business and mercantile acts and transactions concerning all kinds of real property, including but not limited to the acquisition, construction, utilization and disposition, sale, lease, exchange or any mode of transfer of residential, industrial or commercial property.

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[2] This statement is supported by the several local and international awards received by Arthaland as a developer as well as its residential and commercial projects which are detailed in the second paragraph of this section.

[3] ALCO was originally registered as Urbancorp Realty Developers, Inc. but was renamed in 2003 as EIB Realty Developers, Inc. On January 26, 2009, the SEC approved anew the change of the corporate name to ALCO.

In 2007, a group of investors led by AO Capital Holdings 1, Inc. ("**AOCH1**"), an investment company specializing in investing in business opportunities in the Philippines, acquired 73.27% of ALCO's then outstanding capital stock, marking the beginning of its renewed focus in real estate development.

The year 2011 marked the entry into ALCO of CPG, an affiliate of leading food manufacturer Century Pacific Food, Inc., which is listed with the PSE under the stock symbol "CNPF", through its acquisition of 1,800,000,000 ALCO common shares. In 2014, CPG further solidified its commitment by purchasing an additional 342,619,910 ALCO common shares.

As of December 31, 2023, CPG and AOCH1 are the largest shareholders of ALCO with 40.29%[4] and 26.02%, respectively of ALCO's total issued and outstanding common shares.

The Company's common shares and Series D Preferred Shares are traded on the PSE with the trading symbol ALCO and ALCPD respectively, while the Company's Series A Preferred Shares and Series E Preferred Shares which are held by a single shareholder remain unlisted. All Series B Preferred Shares were redeemed as of December 6, 2021 and were subsequently cancelled while all Series C Preferred Shares were redeemed as of June 27, 2024.

ALCO's developments are registered or are set to be registered under the U.S. Green Building Council's Leadership in Energy and Environmental Design Program ("**LEED**"), a globally recognized green building rating system that warrants comprehensive, inclusive and calibrated measures in ensuring sustainability and environmentally sound practices, Philippine Green Building Council's ("**PGBC**") Building for Ecologically Responsive Design Excellence ("**BERDE**") program, IFC's EDGE program and International Well Building Institute's ("**IWBI**") Well program. In September 2019, ACPT, ALCO's flagship office development, was recognized as the first Net Zero Carbon Project in the world certified under the EDGE Green Building Program of the IFC. ALCO's adherence to these ratings for all its projects demonstrates its strong commitment to environmentally responsible building practices.

Up to 2021, a substantial portion of the Group's consolidated revenues came from the sale of units of Cebu Exchange and Savya Financial Center which contributed about 78% of total revenues in 2021. From 2022, revenues from Lucima and the sale of commercial lots in Sevina Park Arcades started to diversify the sources of revenues for the Group. For the full year 2023, the contribution of Cebu Exchange and Savya Financial Center to consolidated revenues went down to about 50% as Eluria initiated revenue recognition and as revenues from Lucima increased due to significant construction progress during this period. Revenues from development sales were supplemented by lease income from ACPT, retail units of Arya Plaza in Arya, the dormitory units in Courtyard Hall in Sevina Park and units for lease in Cebu Exchange. Revenues from the sale of residential units in Una Apartments are expected to contribute to consolidated revenues within 2024. New projects in the pipeline are expected to contribute to revenues from 2026 onward.

ALCO'S BUSINESS AND SUMMARY OF KEY PROJECTS

ALCO's main business activity is the development of premium, enduring and sustainable properties by bringing together a brain trust of experts in property development and management. It is focused on pursuing its unique developments independently and with its joint venture partners, as exemplified by its key projects and developments in the pipeline. Summarized below are ALCO's Key Projects as well as their year of completion or expected year of completion:

[4] Including 125,000,000 indirectly owned shares.

Project Name	GFA (in square meters [sqm])	NLA/ NSA (in sqm)	Location	Development Type	Year or Expected Year of Completion
Arya	76,284	67,876	BGC, Taguig City	Residential	Tower I - 2013 Tower II - 2016
Arthaland Century Pacific Tower	34,295	32,016	BGC, Taguig City	Office	2019
Cebu Exchange	108,564	89,018	Salinas Drive, Cebu City	Office	Q2 2022
Savya Financial Center	59,763	49,078	Arca South, Taguig City	Office	North Tower – Q2 2022 South Tower - Q4 2022
Sevina Park	130,976	97,834	Biñan, Laguna	Mixed use	In phases from 2022 onward
Lucima	28,063	21,927	Makati City	Residential	2024
Eluria	14,656	11,729	Makati City	Residential	2025
Makati CBD Residential 1	15,313	9,953	Makati City	Residential	2029
Project Olive	254,979	187,279	Metro Manila	Mixed Use	In phases from 2029 onward
Project Vanilla[5]	200,158	144,114	Cebu City	Mixed Use	In phases from 2030 onward
Project Teal	52,290	39,714	Metro Manila	Residential	Tower I – 2029 Tower 2 – 2031

Arya

Arya is a multi-awarded, two-tower, high-end residential project located at the corner of 8th Avenue and Mckinley Parkway, BGC, Taguig City. Tower 1 commenced construction in 2010, was completed in 2013 and was handed over to buyers in 2014. Tower 2's construction commenced in 2012, and it was handed over to buyers in 2016. All the residential units in both Tower 1 and Tower 2 have been sold. At the ground floor of Arya is Arya Plaza, a canopied al fresco destination area in which a curated selection of restaurants, cafes and other retail establishments is located. ALCO retains ownership over the Arya Plaza and recognizes lease income from it.

Arya has the distinction of being the first high-rise residential building in the Philippines to have received LEED Gold certification from the USGBC as well as BERDE 4-Star certification from the PGBC. It was also awarded with ANZ/PH 3-Star under the pilot program Advancing Net Zero Philippines.

[5] Formerly known as Project Midtown.

ACPT

Designed by Skidmore Owings & Merrill LLP, the same group behind One World Trade Center in New York City and Burj Khalifa in Dubai, ACPT is one of the first premium grade offices in BGC. It is located along the prime 5th Avenue within BGC's E-Square, along the street where The Shangri La at the Fort and the Philippine Stock Exchange are located. ACPT addresses the strong demand for office space in BGC with its 34,295 sqm of Gross Floor Area ("**GFA**") and 32,016 sqm of Net Leasable Area ("**NLA**"). ALCO commenced the development of ACPT in 2014 and started operations in 2018. The Company retains ownership over 21,089 sqm which represents approximately 66% of the 32,016 sqm of net leasable area of ACPT.

In October 2019, the World Bank Group, through its subsidiary, the IFC, recognized ACPT as the world's first net zero certified building under its EDGE program. This recognition is in addition to the LEED Platinum rating and the BERDE 5-star certification it had achieved previously. In 2020, ACPT was awarded with the WELL Health-Safety Rating seal which certifies the building's safe operations even during the COVID-19 pandemic.

The Company retains ownership over 21,089 sqm which represents approximately 66% of the 32,016 sqm of net leasable area of ACPT. To date, the NLA of ACPT which is owned by ALCO is 100% leased out.

Cebu Exchange

Cebu Exchange is built on an 8,440 sqm property located along Salinas Drive across the Cebu IT Park in Cebu City. It is a 38-storey office building with retail establishments at the ground level and lower floors. It is one of the largest and tallest office developments in Cebu with total GFA of about 108,000 sqm. Cebu Exchange has achieved LEED Gold certification, BERDE Design 5-Star and was awarded the WELL Health Safety Rating Seal. It is on-track to achieve EDGE Zero Carbon certification under the IFC's EDGE program.

Phase 1 of Cebu Exchange, covering areas from the basement to the 15th level and Phase 2, covering areas from the 16th level to the roof deck, successfully initiated handover to buyers in September 2020 and April 2022 respectively in accordance with their pre-pandemic delivery dates. In 2022, Cebu Lavana Land Corp. ("**CLLC**") reclassified 8,059 sqm of office units, 2,628 sqm of retail units and 36 non-appurtenant parking slots from real estate for sale to investment properties following its intention to retain these units to generate recurring income from their lease to locators in Cebu Exchange. In 2023, CLLC reclassified an additional 5,316 sqm of office units from its inventory of real estate for sale to investment properties. CLLC reflected pre-tax fair value gains of approximately ₱954 million in 2022 and ₱605 million in 2023 because of the revaluation of these office, retail and parking slots from their carrying cost to their respective fair values in accordance with financial reporting standards.

As of August 31, 2024, ₱9.66 billion in reservation sales contracts have been executed for office and retail units in Cebu Exchange. These reservation contracts, together with the office and retail units that have been reclassified to investment properties, cover approximately 89% of the total Net Saleable Area ("**NSA**") of Cebu Exchange.

Sevina Park

In September 2016, ALCO, through its 100%-owned subsidiary, Cazneau, acquired eight hectares of land adjacent to the De La Salle University Laguna campus in Biñan, Laguna. The property is currently being developed into Sevina Park, a sustainable mixed-use community that will feature a combination of designer villas, residential mid-rise buildings, commercial office buildings and lots as well as retail and supplemental amenities, in step with the growth of the market demand and infrastructure in the area. The completion of the Cavite Laguna Expressway, with its expected interconnection with the Manila-Cavite Expressway at Kawit, Cavite and the South Luzon Expressway at Mamplasan, Laguna interchange, is seen to significantly benefit Sevina Park. The master plan for Sevina Park was designed by Sasaki of Boston.

Sevina Park is recognized as the Philippines' first and only real estate development in the country to have received the LEED Platinum pre-certification under the LEED ND category. Sevina Park also received the distinction of being the first development to have been awarded with BERDE 5-Star under the BERDE for Districts Rating scheme. Sevina Park's 4-bedroom villa model unit achieved LEED Platinum certification while all other 4-bedroom villas are on-track to achieve LEED Gold certification. All other villas are on-track for EDGE Advanced certification under the EDGE green building program.

Sevina Park Villas

In June 2019, ALCO launched the Sevina Park Villas which occupies approximately 3 hectares of the 8.1-hectare property. The Sevina Park Villas is a low-density residential development composed of 108 villas designed by Leandro V. Locsin and Partners. The villas will be arranged into five blocks and each block is designed to have its own shared courtyard garden to provide residents generous green and open spaces for relaxation, convergence, and interaction.

As of August 31, 2024, reservation contracts with a total value of ₱1.80 billion covering approximately 81% of the NSA of the Sevina Park Villas have been executed. As of August 31, 2024, tranche 1, covering the first 43 villas is 96.8% complete. Tranche 2, covering the next 31 villas is 70.7% complete. Finally, tranche 3 covering the remaining 34 villas is 14.9% complete.

Una Apartments in Sevina Park

Una Apartments is a five-tower residential development on approximately 2.6 hectares within the Sevina Park estate. It is designed to be ALCO's first foray into the broader mid-market segment with units priced at launch of approximately ₱5 million while maintaining high quality standards for which Arthaland is known. The mid-rise towers will have multiple sustainability certifications that will let its residents enjoy water and electricity savings by at least 20%.

The first tower of Una Apartments was launched in September 2022 and was substantially sold out by year-end 2023. Due to the strong market reception, the second tower was launched in November 2023.

As of August 31, 2024, the Company has already executed sales reservation contracts with a total value of ₱2.31 billion covering approximately 97% of the NSA for the first tower. The second tower of Una Apartments has already executed sales reservation contracts with a total value of ₱2.03 billion as of August 31, 2024 that covers approximately 59% of the total NSA for the second tower.

The construction of the first tower is on-going and is 23.9% complete as of August 31, 2024 while the second tower is expected to commence construction in Q1 2025.

Sevina Park Arcades in Sevina Park

Sevina Park Arcades will serve as the commercial and retail component within the Sevina Park estate occupying approximately 2.6 hectares of the 8.1-hectare estate. It is composed of six commercial blocks of which, five were already sold as of August 31, 2024 with a combined contract price of ₱1.36 billion.

A portion of Sevina Park Arcades is envisioned to be developed into a retail space that includes that includes a supermarket and boutique establishments that will complement the everyday needs of the residents within Sevina Park.

Savya Financial Center

Savya Financial Center is a grade-A twin tower mid-rise office development with an integrated retail component. It is the new capital address for business and commerce in Arca South, Taguig City. The project is constructed on approximately 6,000 sqm of land with total GFA of approximately 60,000 sqm. Both the

North and South towers of Savya Financial Center are designed and built with leading edge sustainable building features. Savya Financial Center has achieved LEED Gold pre-certification, WELL pre-certification and EDGE Advanced preliminary certification. It is on-track to achieve BERDE 4-star certification and EDGE Zero Carbon certification.

The North Tower of the Savya Financial Center was launched in February 2019. The North Tower initiated handover to buyers in January 2022, consistent with pre-pandemic delivery dates. The South Tower was inaugurated in October 2022. As of August 31, 2024, reservation contracts with a total value of approximately ₱5.6 billion and covering approximately 86% of the NSA of the North Tower have been executed.

Lucima

In August 2019, ALCO, through its special purpose company, Bhavana, purchased a 2,245 sqm property located in Cebu Business Park which is the foremost business district of Cebu City. The property is currently being developed into Lucima, the first and only premiere, multi-certified, sustainable residential high-rise development. The Project is on-track to achieve quadruple certification from the LEED, BERDE, EDGE and WELL programs of the USGBC, PGBC, IFC and IWBI. Lucima will have a pedestrian access to the Ayala Center Cebu mall and other prominent business, commercial, and lifestyle destinations. It will have a gross floor area of approximately 28,000 sqm and it will offer 265 residential units.

Lucima has been enjoying strong market reception since its launch in July 2021. As of August 31, 2024, reservation contracts with a total value of approximately ₱4.93 billion covering approximately 89% of Lucima's NSA have been executed. Lucima achieved structural top-off in September 2023. As of August 31, 2024, construction is 77.9% complete and is on-track to commence handover by Q4 of 2024.

Eluria

Eluria is ALCO's pioneer residential project in Makati City. It will be a low-density, multi-certified, ultra-luxury development that will offer limited edition designer residences.

Eluria will be 100% certified as sustainable. The building has been pre-certified LEED® Gold and is vying for BERDE and WELL™ certifications. It will be the first multi-certified residential development of its kind and scale within Metro Manila. Individual units are also vying for EDGE® certification. Once completed, its future residents will enjoy exceptional white glove butler services. The project offers only 37 residential units and will have a total GFA of approximately 14,600 sqm.

Eluria was launched in November 2022. As of August 31, 2024, reservation contracts with a total value of approximately ₱2.07 billion covering approximately 37% of Eluria's NSA have been executed. Eluria is 28.4% complete as of August 31, 2024. The project is scheduled to achieve structural top-off by Q4 2024 and is on-track for completion by Q4 2025.

*Makati Central Business District ("**CBD**") Residential Project 1*

The Company, through its wholly-owned subsidiary, ZLDC, acquired condominium certificates of title ("**CCTs**") for condominium units with a combined area representing 47.4% of the total area of the condominium units in Midland Mansions Condominium. Another party acquired CCTs that represent the remaining 52.6%. As a result, Zileya has an undivided interest over 47.4% of the property on which the Midland Mansions Condominium stood prior to its demolition. Zileya and the other party are currently in the process of partitioning the property to enable Zileya to have 100% ownership over 47.4% of the land area of the property which corresponds to 957 sqm out of the 2,018 sqm total lot area. Once the partitioning is completed, the Company plans to develop it into a high-rise luxury, sustainable, multi-certified residential project. ALCO expects to launch the project by Q2 2025.

Project Olive

ALCO is in the final phase of the acquisition of a property with a gross land area of 3.6 hectares located at the entry of one of the most prime CBDs in Metro Manila. The general area of the property is expected to benefit substantially from existing and upcoming public infrastructure in the area. The property is expected to result in 2.6 hectares of land net of road lots that are included in the gross land area. The Company intends to complete the acquisition in phases which will allow it to manage funding requirements over time.

ALCO plans to develop the property into a boutique master planned mixed-use community. The development is envisioned to have quadruple certification from the LEED, BERDE, EDGE and WELL certification programs of the USGBC, PGBC, IFC and Well Institute. Based on initial plans, the project will feature twelve residential towers that will cater to both the upscale and midscale markets as well as some retail or commercial segment to support the residents of the area. Project Olive is expected to support the Company's objective of maintaining a continuous pipeline of projects by scheduling the launch of the twelve residential towers in phases from 2025 to 2038. Completion is likewise done in phases beginning 2029.

Project Vanilla (previously Project Midtown)

ALCO is negotiating for the acquisition of a 5-hectare property in the middle of the most prime city center area in southern Philippines. The acquisition program will be executed jointly with another party and is structured so that each of ALCO and the other party will own 50% of the property after completion of the masterplan and site development works. Further, the acquisition program is expected to be completed between 2024 to 2027 to manage the funding requirements.

ALCO plans to develop the property over multiple phases to provide a steady pipeline of projects which will contribute to the revenues of ALCO over the long-term. Project Vanilla is envisioned to be a sustainable master planned community and will include six residential condominium towers. ALCO expects to launch the towers in phases from 2025 to 2034. Completion of the towers is likewise expected to be achieved in phases beginning 2030.

Project Teal

ALCO is acquiring a 3,700 sqm residential property in northern Metro Manila which will be developed into Project Teal. It is envisioned to be a sustainable two-tower, high rise residential condominium. The first tower is targeted for launch in Q2 2025. Completion of the first tower is expected in 2029 while the second tower is expected to be completed in 2031.

Aside from the projects mentioned above, ALCO is actively evaluating acquisition targets in the business districts of Makati, BGC, and other emerging cities. ALCO will disclose material acquisitions, as they become definite, to its stakeholders through PSE and SEC.

COMPETITIVE STRENGTHS

ALCO believes that its competitive strengths include:

- Strong brand equity resulting from a clear differentiation in sustainability and proven track record from recently completed projects
- Strong, hands-on and committed shareholders
- Highly professional and entrepreneurial management team with extensive experience
- Carefully assembled development portfolio

- Prudent financial management
- Strong fundamentals resulting in resilient pandemic response

(For a more detailed discussion, see "Competitive Strengths" on page [102].)

BUSINESS STRATEGIES

The Company's business strategies include the following:

- Growth and diversification strategy
- Focused mid-term land acquisition strategy
- Providing a superior value proposition by maintaining high quality of projects
- Matching of fixed costs with recurring income
- Establishing strategic partnerships

(For a more detailed discussion, see "ALCO's Business Strategy" starting on page [107].)

RISKS OF INVESTING

Prospective investors should consider the following risks of investing in the Series F Preferred Shares:

- Risks relating to ALCO and its subsidiaries (including specific risks related to land and real estate development businesses)
    - No assurance of successful implementation of business plans and strategies
    - The Company may be unable to complete the acquisition of properties necessary for the projects that form part of the use of proceeds for this Offer
    - The Company's business is inherently volatile
    - The Company operates in a highly regulated environment, and it is affected by the development and application of regulations in the Philippines
    - Ability to obtain financing at favorable terms and interest rates
    - Possibility of a rapid increase of interest rate and fluctuation in foreign exchange rates
    - Availability of land for use in the Company's future projects
    - Significant competition in the real estate industry
    - Titles over land owned by the Company may be contested by third parties
    - Environmental laws may adversely affect the Company's business

- Delays in the completion of projects and failure to meet customers' expectation and standards could adversely affect the Company's reputation and its business and financial performance

- Cyclicality of property development

- Possible change in accounting principle for real estate may change the Company's revenue recognition for sale of its real estate developments, which in turn may adversely affect recognition of unrestricted retained earnings

- The Company's and its subsidiaries' loan agreements are subject to certain debt covenants

- No assurance that insurance rates and coverage will remain the same and the available coverage may not be adequate in the future

- The Company or its contractors may be subject to labor unrest, slowdowns and increased costs

- The Company is dependent on key suppliers and service providers to successfully implement its plans

- The Company is dependent on its management team and key employees to successfully implement its strategies

- The Company may be unable to attract and retain skilled professionals

- ALCO may be exposed to cybersecurity incidents and information security risks

- ALCO enters into transactions with its related parties and needs to be fully compliant with regulations on related party transaction disclosures

- ALCO is subject to foreign ownership limitations and needs to be fully compliant with these limitations when arranging the required funding sources

- ALCO is reliant on technology in certain business operations and uses technology to differentiate its developments from those of its competitors

- ALCO is subject to risk on substantial sale cancellations

- Changes in tax policies affecting tax exemptions and tax incentives could adversely affect the Company's results of operations

- The Company may be involved in legal and other proceedings arising out of its operations from time to time

- The Company which is also engaged in real estate development is indirectly controlled by the Po Family

- Risks relating to the Philippines

  - Company is exposed to risks related to the slowdown in the Philippine economy

- Political instability may have a negative effect on the business, financial position or results of operations of the Company

- Occurrence of natural catastrophes may adversely affect the business of the Company

- Occurrence of a Philippine credit rating downgrade may adversely affect the business of the Company

- The prospects of the Company may be influenced by major political and economic developments both locally and abroad

- Risks relating to the Series F Preferred Shares

  - Series F Preferred Shares may not be suitable investment for all investors

  - Payment of dividends is subject to funds being available for distribution

  - Volatility of market price of the Offer Shares

  - Subordination to other indebtedness

  - Risks of insufficient distributions upon liquidation

  - Inability to reinvest at a similar return on investment upon redemption

  - The Series F Preferred Shares have no voting rights

  - Redemption at the option of the Issuer

  - There is no guarantee that the Series F Preferred Shares will be listed

  - Absence of a liquid secondary market

(For a more detailed discussion, see "Risk Factors" starting on page [119].)

CORPORATE INFORMATION

ALCO currently holds office at the 7th Floor Arthaland Century Pacific Tower, 5th Avenue Corner 30th Street, Bonifacio Global City, Taguig City**.** The Company's telephone number is (+632) 8403-6910.

The Company's website is http://www.arthaland.com.

Summary of Financial Information

*Prospective purchasers of the Series F Preferred Shares should read the summary financial data below together with the consolidated financial statements, including the notes thereto, included in this Prospectus, such as in the section "Management's Discussion and Analysis of Results of Operations and Financial Condition". The summary financial data for the three years ended December 31, 2021, 2022 and 2023 are derived from the audited consolidated financial statements of ALCO, audited by Reyes Tacandong & Co. and prepared in compliance with the Philippine Financial Reporting Standards ("**PFRS**"), including the notes thereto, which are found as Appendix "A" of this Prospectus. The summary financial data as of and for the six months ended June 30, 2023 and 2024, are derived from the unaudited interim condensed financial statements of ALCO, in compliance with Philippine Accounting Standards ("**PAS**") 34, "Interim Financial Reporting", which are set out in Appendix "B" of this Prospectus. The historical financial condition, results of operations and cash flows of ALCO are not a guarantee of its future operating and financial performance.*

Consolidated Statements of Comprehensive Income
in ₱ millions except where otherwise indicated

	Audited, as of December 31			Unaudited, as of June 30	
	2023	2022	2021	2024	2023
Revenues	**6,639**	**2,923**	**2,972**	**2,571**	**3,372**
Cost and expenses	3,925	1,804	1,729	1,733	1,833
Gross income	**2,714**	**1,119**	**1,243**	**838**	**1,539**
Operating expenses	(1,350)	(872)	(738)	(663)	(669)
Finance costs	(1,020)	(501)	(278)	(713)	(525)
Net gain on change in fair value of investment properties	974	1,436	872	878	716
Other income – Net	521	68	28	297	139
Income before income tax	**1,839**	**1,250**	**1,127**	**637**	**1,200**
Provision for income tax	450	377	12	170	296
Net income	**1,389**	**873**	**1,115**	**467**	**904**
Other comprehensive income (loss)					
Remeasurement gains (losses) on net retirement asset or liability	(7)	59	10	-	-
Income tax benefit (expense) on remeasurement gains or losses	2	(15)	(2)	-	-
Total comprehensive income	**1,384**	**917**	**1,123**	**467**	**904**

Consolidated Statements of Financial Position
in ₱ millions except where otherwise indicated

	Audited, as of December 31			Unaudited, as of June 30	
	2023	2022	2021	2024	2023
Cash and cash equivalents	5,605	4,796	1,949	5,010	5,866
Financial assets at fair value through profit or loss (FVPL)	878	2,246	4,379	1,173	2,093
Receivables	2,211	2,380	1,563	2,359	2,340
Contract Assets	5,609	3,920	6,239	6,201	4,513
Real estate for sale	7,549	9,381	8,989	8,007	8,352
Investment properties	13,176	11,274	9,026	13,490	12,419
Property and equipment	316	334	273	312	321
Net retirement asset	14	36	-	6	23
Other Assets	1,906	2,025	2,253	2,105	2,188
Total Assets	**37,264**	**36,392**	**34,671**	**38,663**	**38,115**
Accounts payable and other liabilities	3,621	3,382	4,219	4,102	3,566
Loans payable	11,187	11,764	13,437	13,565	12,175
Bonds payable	5,942	5,926	2,967	5,947	5,933
Contract liabilities	198	231	62	384	321
Advances from non-controlling interests	1,102	1,102	1,102	1,010	1,102
Net retirement liability	5	3	118	6	3
Net deferred tax liabilities	2,093	1,924	1,714	2,014	2,044
Total Liabilities	**24,148**	**24,332**	**23,619**	**27,028**	**25,144**
Capital stock	1,006	1,006	1,006	1,007	1,006
Additional paid-in capital	5,973	5,973	5,973	5,973	5,973
Treasury stock – at cost	(2,000)	(2,000)	(2,000)	(3,000)	(2,000)
Parent Company's preferred shares held by a subsidiary – at cost	(13)	(13)	(13)	(14)	(13)
Retained earnings	5,548	4,913	4,405	5,124	5,423
Other equity reserves	217	222	178	217	222
Total equity attributable to Equity Holders of the Parent Company	10,731	10,101	9,549	9,307	10,611
Non-controlling interests	2,385	1,959	1,503	2,328	2,360
Total Equity	**13,116**	**12,060**	**11,052**	**11,635**	**12,971**
Total Liabilities and Equity	**37,264**	**36,392**	**34,671**	**38,663**	**38,115**

Consolidated Statements of Cash Flows
in ₱ millions except where otherwise indicated

	Audited, as of December 31			Unaudited, as of June 30	
Cash flows from (used in):	2023	2022	2021	2024	2023
Operating activities	499	(184)	(3,193)	(1,404)	831
Investing activities	1,409	2,047	(1,160)	(235)	(242)
Financing activities	(1,103)	975	5,361	1,042	481
Net effect of exchange rate changes to cash and cash equivalents	4	9	-	2	-
Net increases (decreases) in cash and cash equivalents	809	2,847	1,008	(595)	1,070
Cash and cash equivalents at beginning of period	4,796	1,949	941	5,605	4,796
Cash and cash equivalents at end of period	**5,605**	**4,796**	**1,949**	**5,010**	**5,866**

Terms 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 Series F Preferred Shares. It is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Some rights, obligations, or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective investors are enjoined to perform their own independent investigation and analysis of the Company and the Series F Preferred Shares. Each prospective investor must rely on its own appraisal of the Company and the Series F Preferred 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 Series F Preferred Shares, and must not rely solely 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 investor's independent evaluation and analysis.

The final terms and conditions of this Offer are as follows:

1	Issuer…………………………..	Arthaland Corporation ("**ALCO**", the "**Company**" or the "**Issuer**").
2	Offer Size………………………	Up to ₱2,000,000,000 (the "**Firm Offer**") with an Oversubscription Offer of up to ₱1,000,000,000.
3	Instrument……………………..	Cumulative, non-voting, non-participating, non-convertible, redeemable Peso-denominated preferred shares (the "**Series F Preferred Shares**").
4	Offer and Offer Price …………	ALCO, through the Lead Underwriter and the Selling Agents, is offering 4,000,000 Series F Preferred Shares, and in case the Oversubscription Option is exercised, up to an additional 2,000,000 Series F Preferred Shares, at an offer price of ₱500 per share (the "**Offer Price**").
5	Registration and Listing………	The Offer Shares are to be registered with the SEC and intended to be listed on the Main Board of The Philippine Stock Exchange, Inc. ("**PSE**"), subject to compliance with applicable SEC regulations and PSE listing rules. Upon listing, the Series F Preferred Shares will be traded under the symbol "**ALCPF**".
6	Issue Date ………………….	[October 11, 2024][6]
7	Use of Proceeds ………………….	The net proceeds of the Offer (*i.e.*, after deducting expenses in relation to the Offer) will be used to refinance a short-term facility that was used to fund the redemption of the Series C Preferred Shares and to partially fund the required investment from ALCO into a project company that will acquire and develop the property for Project Teal. In case the Oversubscription Option is fully exercised, additional funds will be used to fully fund the required investment for Project Teal and to partially fund loan repayments and other general corporate purpose. Please refer to the section "Use of

[6] Any move shall be subject to the approval by the PSE depending on the holidays that might be declared by the government.

		Proceeds" of this Prospectus for further discussion of the use of proceeds of the Offer.
8	Par Value………………………	The Series F Preferred Shares have a par value of ₱1.00 per share.
9	Offer Price……………………..	The Series F Preferred Shares will be offered at a price of ₱500.00 per share.
10	Dividend Rate ………………..	The Series F Preferred Shares will, subject to certain dividend payment conditions (see "*Conditions for the Declaration and Payment of Cash Dividends"* in this Prospectus), bear cumulative, non-participating cash dividends (the "**Dividends**") based on the Offer Price, payable quarterly in arrears every Dividend Payment Date (as defined below) at the Dividend Rate *per annum* reckoned from Issue Date. Dividends will be calculated on a 30/360-day basis. The term "**Dividend Rate**" means (a) from the Issue Date up to the Initial Optional Redemption Date, the Original Dividend Rate, and (b) from the Initial Optional Redemption Date, the higher of the Original Dividend Rate and the Step-Up Rate. (Please see below for the relevant definitions.)
11	Original Dividend Rate and Original Spread	The original dividend rate (the "**Original Dividend Rate**") shall be at the fixed rate of [•]% *per annum on the Offer Price*. The Original Dividend Rate was equivalent to the sum of the 3-day average of the 5-year BVAL (or such successor rate) as of the dividend rate setting date, and a spread of [•] bps (the "**Original Spread**") *per annum*. Series F Preferred Shares: Sum of (a) the simple average of the five (5)-year PHP BVAL Reference Rate, as published on the relevant webpages of the PDS, or if unavailable, the PDEx page (or its successor page) of Bloomberg (or such successor electronic service provider) at approximately 5:00 p.m. (Philippine Standard Time) for the three (3) consecutive Business Days immediately preceding and ending on the Dividend Rate Setting Date and (ii) a spread of [one hundred sixty-five (165)] to [two hundred twenty-five (225)] basis points. The final initial dividend rates shall be rounded off to four (4) decimal places. "BVAL" shall refer to the reference rates of Republic of the Philippines Peso-denominated domestic government bonds, as published on the relevant page of Bloomberg (or its successor entity) at approximately 5:00 p.m. (Philippine Standard Time).

12	Dividend Rate Step-Up ………	Unless the Series F Preferred Shares are redeemed by ALCO on the fifth (5th) anniversary of the Listing Date (the "**Initial Optional Redemption Date**"), the Dividend Rate shall be adjusted thereafter to the higher of: a. Original Dividend Rate, or b. the sum of: i. the 3-day average of the 10-year BVAL preceding and including the Initial Optional Redemption Date, and ii. the Original Spread x 250% (this item b, the "**Step Up Rate**"). For the avoidance of doubt, (a) 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, and (b) there will be no additional increase in the Dividend Rate after the Step Up Rate is applied.
13	Dividend Payment Dates …….	As and if declared by ALCO, and in accordance with the terms and conditions of the Series F Preferred Shares, dividends will be payable starting on [•] and every [•],[•],[•] and [•] of each year (each, a "**Dividend Payment Date**"), being the last day of each 3-month dividend period (a "**Dividend Period**"). 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. A "**Banking Day**" means a day, except Saturday or Sunday or legal holidays, when banks are open for business in Metro Manila, Philippines during which facilities of the Philippine banking system are open and available for clearing; provided that all other days unless otherwise specified herein shall mean calendar days which shall be construed as successive periods of twenty-four (24) hours each.
14	Conditions for the Declaration and Payment of Cash Dividends …………………	ALCO's BOD has full discretion over the declaration and payment of cash dividends on the Series F Preferred Shares, to the extent permitted by law. ALCO's BOD will not declare and pay cash dividends on any Dividend Payment Date where, in its opinion: (a) payment of the cash dividend would cause ALCO to breach any of its financial covenants; or (b) the unrestricted retained earnings available to ALCO for distribution as dividends are not sufficient to

enable ALCO to pay cash dividends in full on all other classes of ALCO's outstanding shares that are scheduled to be paid on or before any Dividend Payment Date and that have an equal right and priority to dividends as the Series F Preferred Shares.

If the unrestricted retained earnings available to distribute as dividends are, in the opinion of ALCO's BOD, not sufficient to enable ALCO to pay both dividends on the Series F Preferred Shares and the dividends on other shares that have an equal right and priority to dividends as the Series F Preferred Shares, in full and on the relevant dates, then ALCO is required to:

(1) first, pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that Dividend Payment Date on any shares with a right to dividends ranking higher in priority to that of the Series F Preferred Shares; and

(2) second, to pay dividends on the Series F Preferred Shares and any other shares ranking equally with the Series F Preferred Shares as to participation in such retained earnings *pro rata* to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrears on any past cumulative dividends on any shares ranking equal in priority with the Series F Preferred Shares to receive dividends.

Any such cash dividends deferred or not declared in accordance with the above provisions shall constitute "**Arrears of Dividends**".

The unrestricted retained earnings available for distribution are, in general and with some adjustments, equal to ALCO's accumulated profits, less accumulated realized losses. In general, under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings 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.

Cash dividends on the Series F Preferred Shares will be cumulative. If for any reason the BOD of ALCO does not declare cash dividends on the Series F Preferred Shares for a Dividend Period, ALCO will not pay cash dividends on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which cash dividends are declared, holders of the Series F Preferred Shares must receive the accrued and unpaid cash dividends due them on such Dividend Payment Date as well as all Arrears of Dividends

		to the holders of the Series F Preferred Shares prior to such Dividend Payment Date. Holders of the Series F Preferred Shares shall not be entitled to participate in any other or further dividends, cash, property or stock beyond the dividends specifically payable on the Series F Preferred Shares. ALCO covenants that, in the event: (a) any cash dividends due with respect to any Series F Preferred Shares then outstanding for any period are not declared and paid in full when due; (b) where there remains outstanding Arrears of Dividends; or (c) any other amounts payable under the terms and conditions of the Series F Preferred Shares are not paid in full when due for any reason, then it will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking *pari passu* with, or junior to, the Series F Preferred Shares (or contribute any money to a sinking fund for the redemption of any securities ranking *pari passu* with, or junior to, the Series F Preferred Shares) until any and all Arrears of Dividends and accrued but unpaid cash dividends have been paid to the holders of the Series F Preferred Shares (unless such declaration or payment of dividends or distributions in respect of *pari passu* securities shall be in accordance with the paragraph numbered (2) of this section in respect of *pro rata* payment between the Series F Preferred Shares and any other shares ranking equally with the Series F Preferred Shares as to participation in the retained earnings).
15	Payments of Dividends and Other Amounts …….	All payments of dividends and any other amounts under the Series F Preferred Shares shall be paid by ALCO in Philippine Pesos. On the relevant payment dates, the Paying Agent shall make available to the holders of the Series F Preferred Shares as of the relevant record date, checks drawn against the relevant payment settlement account in the amount due to each of such holders of record, either (i) for pick-up by the relevant holder of record of the Series F Preferred Shares or its duly authorized representative at the office of the Paying Agent, or (ii) delivery via courier or, if courier service is unavailable for delivery to the address of the relevant holder of record of the Series F Preferred Shares via mail, at such holder's risk, to the address of such holder appearing in the Registry of Shareholders.

16	Optional Redemption …………	As and if approved by the BOD of ALCO and subject to the requirements of applicable laws and regulations, and ALCO's financial covenants, ALCO has the sole option, but not the obligation, to redeem all (but not part) of the outstanding Series F Preferred Shares, having given to the Stock Transfer Agent, the SEC and the PSE not less than thirty (30) calendar 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 Series F Preferred Shares, plus any accrued and unpaid cash dividends due them on such Dividend Payment Date 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 Series F Preferred Shares as of the relevant record date set by ALCO for such redemption. ALCO may, at its sole option, subject to the requirements of applicable laws and regulations and ALCO's financial covenants, also redeem the Series F Preferred Shares, in whole but not in part, at any time if an Accounting Event, a Tax Event or a Change in Control Event (each as defined below) has occurred, having given not less than thirty (30) calendar 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 ALCO at the Redemption Price, which shall be paid on the date of redemption set out in the notice. Upon the occurrence of a Change in Control Event, ALCO may elect to redeem the Series F Preferred Shares upon giving not less than thirty (30) calendar days' written notice to the Stock Transfer Agent, the PSE and the SEC prior to the intended date of redemption. If ALCO redeems the Series F Preferred Shares within a period not exceeding thirty (30) days from the occurrence of a Change in Control Event, the redemption shall be made by ALCO at the Redemption Price prevailing immediately prior to the Change in Control Event. If ALCO does not redeem the Series F Preferred Shares within thirty (30) days from the occurrence of a Change in Control Event:

		(a) the Dividend Rate will be increased by 400 basis points per annum, commencing on and including the day on which a Change in Control Event has occurred; and (b) ALCO may still redeem at any time the Series F Preferred Shares at the Redemption Price. For the avoidance of doubt, the Redemption Price shall include the additional 400 basis points per annum constituting the increase in Dividend Rate, commencing on and including the day on which a Change in Control Event has occurred until the date of redemption, as provided under item (a) above. The Company's decision to redeem the Series F Preferred Shares on the Optional Redemption Date or on other applicable dates will depend on a number of factors including the availability of cash from dividends from the Company's subsidiaries which undertake its various projects and the availability of alternative refinancing options on the Optional Redemption Date or on such other applicable dates. However, while the Series F Preferred Shares may be redeemed regardless of the existence of unrestricted retained earnings, this is subject to the condition that the corporation has, after such redemption, assets in its books to cover debts and liabilities inclusive of capital stock. Redemption, therefore, may not be made where the corporation is insolvent or if such redemption will cause insolvency or inability of the corporation to meet its debts as they mature. The Company may also repurchase the Series F Preferred Shares anytime at the market.
17	Accounting Event…………………	An accounting event ("**Accounting Event**") shall occur if, in the opinion of ALCO, with due consultation with its independent auditors at the relevant time, there is more than an insubstantial risk that the Series F Preferred Shares or the funds raised through the issuance of the Series F Preferred Shares may no longer be recorded as "equity" to the full extent as at the Issue Date pursuant to the PFRS , or such other accounting standards which succeed PFRS, as adopted by the Republic of the Philippines and applied by ALCO for drawing up its consolidated financial statements for the relevant financial year.
18	Tax Event…………………	A tax event ("**Tax Event**") shall occur if dividend payments or other amounts payable on the Series F Preferred Shares become subject to 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.

19	Change in Control Event…………………	A change in control event ("**Change in Control Event**") shall be deemed to have occurred when: (a) CPG Holdings, Inc. ("**CPG**") and AOCH1 (or together with any of their respective affiliates) collectively cease to own at least 51% of the voting capital stock of ALCO and to retain the power to elect a majority of the BOD; or (b) CPG (alone or together with any affiliate) ceases to own at least 31% of the voting capital stock of ALCO; or (c) AOCH1 (alone or together with any affiliate) ceases to own at least 20% of the voting capital stock of ALCO. The term "affiliate" for purposes of the definition of the Change in Control Event, means a corporation (i) at least 67% of the total issued and outstanding voting capital stock is directly or indirectly (computed in the same manner as the grandfather rule) owned by, and (ii) which is controlled by, directly or indirectly, the individuals who, as of Issue Date, are the ultimate owners of CPG or AOCH1, as applicable. For purposes of this definition, "control" means the possession, directly or indirectly, by a person of the power to elect and remove at least a majority of the total number of the BOD or other governing body of the corporation, or otherwise direct or cause the direction of management and policies of the corporation, whether through ownership of voting securities, contract or otherwise; provided, that a person's direct ownership of voting securities of over 50% of the issued and outstanding voting capital stock of the corporation is deemed to constitute control of that corporation. "Controlled by" shall have the corresponding meaning. If a Change in Control Event has occurred, ALCO may at any time redeem the Series F Preferred Shares, subject to the conditions stated under "*Optional Redemption*". Unless the Series F Preferred Shares are redeemed within thirty (30) days from the occurrence of a Change in Control Event, the Dividend Rate will be increased as provided under "*Optional Redemption*". At any time before the occurrence of Change in Control Event, or on the date of such occurrence, or within seven (7) Banking Days from the occurrence of a Change in Control Event, ALCO, acting through its Corporate Secretary or through such other officer as may be authorized by its BOD, shall give written notice to the Stock Transfer Agent, the SEC and the PSE, of the Change in Control Event. As applicable, the said notice may likewise indicate that ALCO will redeem the Series F Preferred Shares pursuant to the provisions and subject to the conditions stated under "*Optional Redemption*".

20	No Sinking Fund…………………	ALCO is not legally required and has not established, and currently has no plans to establish, a sinking fund for the redemption of the Series F Preferred Shares.
21	Purchase of the Series F Preferred Shares………………..	Subsequent to the listing of the Series F Preferred Shares on the PSE, and subject to compliance with applicable law and rules of the PSE, ALCO may purchase the Series F Preferred Shares at any time at market prices through the facilities of the PSE, or by tender offer or negotiated sale, subject, however, to the relevant PSE approval for a regular or special block sale (as applicable), without the obligation to purchase or redeem the other Series F Preferred Shares.
22	Reissuability ………………………	The Series F Preferred Shares are reissuable such that in case of redemption, they shall not be considered retired and may be re-issued by ALCO on such terms and conditions as may be determined and approved by the Board of Directors. Nonetheless, ALCO may subsequently amend this term to provide that all the Series F Preferred Shares shall, upon redemption, be cancellable and retired, in case ALCO determines that it is more beneficial to it and/or the holders thereof.
23	Taxation……………………………....	Subject to the provisions set forth below, all payments in respect of the Series F Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any future taxes or duties imposed by or on behalf of the Philippines, including but not limited to, documentary stamp, issue, registration, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, ALCO will pay additional amounts so that holders of the Series F Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable. Notwithstanding the foregoing, ALCO shall not be liable for, and the foregoing payment undertaking of ALCO shall not apply to: (a) any withholding tax applicable to dividends earned by or any amounts payable to the holders of the Series F Preferred Shares prescribed under the National Internal Revenue Code of the Philippines, as amended, including any additional tax on such dividends or any such payables imposed by changes in law, rule or regulation; (b) any income tax including capital gains tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the Redemption Price) or buy back of the Series F

		Preferred Shares, or on the liquidating distributions as may be received by a holder of Series F Preferred Shares; (c) any expanded value added tax which may be payable by any holder of the Series F Preferred Shares on any amount to be received from ALCO. (d) any withholding tax, including any additional tax imposed by change in law, rule or regulation, on dividend or on any amount payable to any holder of Series F Preferred Shares which is a non-resident holder; and (e) applicable taxes on any subsequent sale or transfer of the Series F Preferred Shares by any holder of the Series F 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). Documentary stamp tax for the primary issue of the Series F Preferred Shares and the documentation, if any, shall be for the account of ALCO. All sums payable by ALCO to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges, or to entities claiming preferential rate shall be paid after deducting such preferential rate, provided in each case that said entities present proof of such tax-exempt status from the tax authorities, provide an undertaking to indemnify and hold ALCO, the Stock Transfer Agent and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax, and other documents as may be required by ALCO in its sole discretion. ALCO shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the preferential rate being claimed by applicant or the holder of Series F Preferred Shares on the interest and other payments to be made to such applicant or holder. Whether or not the investor or holder or transferee of Series F Preferred Shares is entitled to the exemption or preferential tax rate under the applicable tax treaty, and consequently, whether a request for confirmation shall be filed shall be at the sole discretion of ALCO. Unless timely and properly provided with satisfactory proof of the tax-exempt status or entitlement to preferential tax treatment of an applicant or a holder of the Series F Preferred Shares, the Stock Transfer Agent and Paying Agent may assume that said applicant or holder is taxable at the regular

		rate and proceed to apply the tax due on the Series F Preferred Shares. Notwithstanding the submission by the applicant or holder, or the receipt by ALCO or any of its agents, of documentary proof of the tax-exempt status or entitlement to preferential tax treatment of an applicant or holder, ALCO may, in its sole discretion, determine that such shareholder is taxable and require the Stock Transfer Agent and Paying Agent to proceed to apply the tax at the regular rate due on the Series F Preferred Shares. Any question on such determination shall be referred to ALCO. Please see "*Taxation*" in the Prospectus for the Philippine tax consequences of the acquisition, ownership and disposition of Series F Preferred Shares.
24	Tax-Exempt Status or Entitlement to Preferential Tax Rate …………………………….	An investor or holder of Series F Preferred Shares who is availing of a preferential withholding tax rate on dividends or of exemption from income tax on dividends shall be required to submit the following requirements to the Stock Transfer Agent, subject to acceptance by ALCO, as being sufficient in form and substance: (i) For those claiming exemption from income tax: a current and valid Bureau of Internal Revenue ("BIR") certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or holder of Series F Preferred Shares, confirming its exemption, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto; (ii) For those claiming preferential tax treatment on income tax on dividends based on a tax treaty: (a) Applicant investors A non-resident holder of Series F Preferred Shares that opts to avail himself or itself of preferential tax treatment with respect to income tax on dividends based on an applicable tax treaty must provide the Issuer with two originals of the following documents: (a) an application form for treaty purposes (BIR Form 0901-D for dividends), (b) an authenticated/apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the shareholder, (c) notarized and authenticated/apostilled special power of attorney issued by the non-resident holder to the Issuer (indicating the latter's authorized individual representatives), which must expressly state the authority to sign the request for confirmation, and (d) authenticated/apostilled copy of the constitutive documents, such as articles/memorandum of incorporation of incorporation/association, of the non-resident holder, if applicable, with an English translation if in foreign language. The non-resident holder must also furnish the Issuer the

		relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on dividend income; (b) Transferee holders A non-resident holder who is a transferee of Series F Preferred Shares that opts to avail of preferential tax treatment with respect to income tax on dividends based on an applicable tax treaty must provide the Issuer through the Paying Agent with two originals of the following documents: (i) the duly accomplished and signed BIR Form 0901-D, (ii) the authenticated/apostilled tax residency certificate, (iii) the notarized and authenticated/apostilled special power of attorney issued by the non-resident holder to the Issuer (indicating the latter's authorized individual representatives), which must expressly state the authority to sign the request for confirmation, (iv) authenticated/apostilled copy of the constitutive documents, such as articles/memorandum of incorporation of incorporation/association, of the non-resident holder, if applicable, with an English translation if in foreign language, and (v) and a copy of the relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on dividend income. Whether or not the investor or holder or transferee of Series F Preferred Shares is entitled to the exemption or preferential tax rate under the applicable tax treaty, and consequently, whether a request for confirmation shall be filed shall be at the sole discretion of ALCO; (iii) For those claiming exemption from income tax as a BIR-qualified employees' retirement fund (in addition to the requirements under (i) above): a duly notarized undertaking (in form and substance prescribed by ALCO) executed by (1) the corporate secretary or any authorized representative of such applicant or holder of Series F Preferred Shares, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the holder of Series F Preferred Shares holds, the Series F Preferred Shares for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Series F Preferred Shares pursuant to its management of tax-exempt entities (*i.e.*, Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify ALCO, the Stock Transfer Agent and the Paying Agent of any suspension or revocation of the tax exemption certificate, certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold ALCO, the Stock Transfer Agent and the Paying Agent free and harmless against any

		claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and (iv) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming exemption from withholding tax, preferential tax treaty rates or the special 15% tax sparing rate on dividends, shall include evidence of exemption from withholding tax, or of the applicability of a tax treaty or of the tax sparing rate, with consularized proof of the applicant's or holder's legal domicile in the relevant treaty state, and confirmation acceptable to ALCO that such applicant or holder of Series F Preferred Shares is not doing business in the Philippines; provided that ALCO, the Stock Transfer Agent and the Paying Agent shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by applicant or the holder of Series F Preferred Shares on the interest payments to be made to such applicant or holder. The foregoing requirements shall be submitted, (i) in respect of an initial issuance of the Series F Preferred Shares, to the Lead Underwriter or Selling Agents who shall then forward the same with the Application to Purchase to the Stock Transfer Agent; or (ii) in respect of a transfer from a holder of Series F Preferred Shares to a purchaser, to the Stock Transfer Agent within three (3) days from settlement date. Unless timely and properly provided with satisfactory proof of the tax-exempt status or entitlement to preferential tax treatment of an applicant or a holder of the Series F Preferred Shares, the Stock Transfer Agent and Paying Agent may assume that said applicant or holder is taxable at the regular rate and proceed to apply the tax due on the Series F Preferred Shares. Notwithstanding the submission by the applicant or holder, or the receipt by ALCO or any of its agents, of documentary proof of the tax-exempt status or entitlement to preferential tax treatment of an applicant or holder, ALCO may, in its sole and reasonable discretion, determine that such shareholder is taxable and require the Stock Transfer Agent and Paying Agent to proceed to apply the tax at the regular rate due on the Series F Preferred Shares. Any question on such determination shall be referred to ALCO.
25	Liquidation Rights	In the event of a return of capital in respect of ALCO's winding up or otherwise (whether voluntarily or involuntarily) (but not on a redemption or purchase by ALCO of any of its share capital), the holders of the Series F Preferred Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of ALCO available for distribution to shareholders, together with the holders of any other shares

		of ALCO ranking, as regards repayment of capital, *pari passu* with the Series F Preferred Shares and before any distribution of assets is made to holders of any class of ALCO shares ranking junior to the Series F Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal to the Offer Price per share plus an amount equal to the Arrears in Dividends, any dividends declared unpaid in respect of the previous dividend period, and any accrued and unpaid dividends for the then current dividend period to (and including) the date of commencement of ALCO's winding up or the date of any such other return of capital, as the case may be. If, upon any return of capital in the winding up of ALCO, the amount payable with respect to the Series F Preferred Shares and any other shares of ALCO ranking as to any such distribution *pari passu* with the Series F Preferred Shares are not paid in full, the holders of the Series F Preferred Shares and of such other shares will share proportionately in any such distribution of the assets of ALCO in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Series F Preferred Shares will have no right or claim to any of the remaining assets of ALCO and will not be entitled to any further participation or return of capital in a winding up.
26	Form, Title and Registration of the Series F Preferred Shares……..	The Series F Preferred Shares will be issued in scripless form through the electronic book-entry system of the Stock Transfer Agent and lodged with the Philippine Depository Trust Corporation ("**PDTC**") as depository agent on Listing Date through PSE trading participants nominated by the applicants. For this purpose, applicants shall indicate in the proper space provided for in the Application to Purchase (as defined below) the name of a PSE trading participant under whose name their Series F Preferred Shares will be registered. After Listing Date, shareholders may request their nominated PSE trading participant, to uplift their shares and issue stock certificates evidencing their investment in the Series F Preferred Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder. Legal title to the Series F Preferred Shares will be shown in the Registry of Shareholders which shall be maintained by the Stock Transfer Agent. The Stock Transfer Agent shall send a transaction confirmation advice confirming every receipt or transfer of the Series F Preferred Shares. Any request by shareholders for certifications, reports or other documents from the Stock Transfer Agent, except as provided herein, shall be for the account of the requesting shareholder. For scripless shares, the maintenance and custody fee payable to the PDTC shall be for the account of the shareholder.

		Initial placement of the Series F Preferred Shares and subsequent transfers of interests in the Series F Preferred Shares shall be subject to normal Philippine selling restrictions for listed securities as may prevail from time to time. Philippine law does not require transfers of the Series F Preferred Shares to be effected on the PSE, but any off-exchange transfers will subject the transferor to a capital gains tax that may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange. Please see "*Taxation*" in this Prospectus and the Prospectus. All transfers of shares on the PSE must be effected through a licensed stock broker in the Philippines.
27	Title and Transfer....................	Legal title to the Series F Preferred Shares shall pass by endorsement and delivery to the transferee and registration in the Registry of Shareholders to be maintained by the Stock Transfer Agent. Settlement in respect of such transfer or change of title to the Series F Preferred Shares, including the settlement of documentary stamp taxes, if any, arising from subsequent transfers, shall be similar to the transfer of title and settlement procedures for listed securities in the PSE.
28	Status of the Series F Preferred Shares in the Distribution of Assets in the Event of Dissolution...........................	The Series F Preferred Shares will constitute the direct and unsecured subordinated obligations of ALCO ranking at least *pari passu* in all respects and ratably without preference or priority among themselves. The Series F Preferred Shares rank junior in right of payment to all indebtedness of the Company and claims against the Company which rank or are expressed to rank senior to the Series F Preferred Shares. Accordingly, the obligations of the Company under the Series F Preferred Shares will not be satisfied unless the Company can satisfy in full all of its other obligations ranking senior to the Series F Preferred Shares. There is no agreement or instrument that limits or prohibits the ability of ALCO to issue Series F Preferred Shares or other securities, and ALCO may at any time issue such other securities, that rank *pari passu* with the Series F Preferred Shares or with terms and conditions different from the Series F Preferred Shares. For the avoidance of doubt, the Series A and Series E Preferred Shares rank junior in right of payment and claims against the Company to the Series D and Series F Preferred Shares (collectively, the "**Public Preferred Shares**").
30	Selling and Transfer Restrictions..........................	After listing, the subsequent transfers of interests in the Series F Preferred Shares shall be subject to normal selling restrictions for listed securities as may prevail in the Philippines from time to time.

31	Governing Law……………………	The Series F Preferred Shares will be issued pursuant to the laws of the Republic of the Philippines.
Other Terms of the Offer		
32	Offer Period……………………	The offer period of this Offer shall commence on [September 30, 2024] and end at 12:00 p.m., Manila Time on [October 4, 2024] (the "**Offer Period**"). Applications shall be accepted on each Banking Day of the Offer Period commencing from 9:00 a.m. to 5:00 p.m., except on the last Banking Day of the Offer Period where applications shall be accepted from 9:00 a.m. to 12:00 p.m. only. ALCO and the Lead Underwriter reserve the right to extend or terminate the Offer Period with the approval of or notice to the SEC and, as applicable, the PSE. Applications shall be considered irrevocable upon submission to the Lead Underwriter or Selling Agents, and shall be subject to the terms and conditions of the Offer as stated in the Prospectus and in the application form to subscribe to the Series F Preferred Shares (the "**Application to Purchase**"). Applications to Purchase the Series F Preferred Shares, together with the required documents (each, an "**Application**"), must be received by the Lead Underwriter or Selling Agents not later than 12:00 p.m. Manila time on [October 2, 2024]. Applications received thereafter or without the required documents and/or full payments will be rejected. ALCO reserves the right to waive any requirement for the acceptance of the Applications.
33	Minimum Subscription to the Series F Preferred Shares……………………	Each Application shall be for a minimum of 100 Series F Preferred Shares, and thereafter, in multiples of 20 Series F Preferred Shares. No Application for multiples of any other number of Series F Preferred Shares will be considered.
34	Eligible Investors………………	The Series F Preferred Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality, subject to limits under Philippine law. However, under certain circumstances, ALCO may reject an Application or reduce the number of the Series F Preferred Shares applied for subscription. Subscription to the Series F Preferred Shares may be restricted in certain jurisdictions. Foreign investors interested in subscribing or purchasing the Series F Preferred Shares should inform themselves of 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 affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Series F Preferred Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Series F Preferred Shares.

35	Procedure for Application…..	Applications to Purchase the Series F Preferred Shares may be obtained from any of the Lead Underwriter or Selling Agents. The Application to Purchase may also be obtained from the website of ALCO at www.arthaland.com. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by an authorized signatory of the applicant and accompanied by: (a) two (2) duly accomplished signature cards containing (i) if applicant is a natural person, the specimen signature of the applicant, and (ii) if applicant is a corporation, partnership or trust account, the specimen signatures of the applicant's authorized signatories, validated by its Corporate Secretary or by an equivalent officer or officers who is or are authorized signatory or signatories, and in respect of each of item (i) and (ii), validated/signed by the Lead Underwriter's authorized signatory or signatories whose authority and specimen signatures have been submitted to the Stock Transfer Agent, and (b) the corresponding payment for the Series F Preferred Shares covered by the Application and all other required documents including documents required for registry with the Stock Transfer Agent and Depository Agent. The duly executed Application to Purchase and required documents should be submitted to the Lead Underwriter or Selling Agents within the deadline as set out in this Prospectus. If the applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents: (a) 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 the corporate secretary; (b) applicant's SEC certificate of registration, duly certified by the corporate secretary; and (c) a duly notarized corporate secretary's certificate setting forth the resolution of the applicant's BOD or equivalent body authorizing (i) the purchase of the Series F Preferred Shares indicated in the Application and (ii) the designated signatories for the purpose, including their respective specimen signatures. Individual applicants must also submit a photocopy of any one (1) of the following identification cards ("**ID**") bearing a signature and recent photo, and which is not expired:

		passport/driver's license, company ID issued by private entities or institutions registered with or supervised or regulated either by the *Bangko Sentral ng Pilipinas* ("**BSP**"), SEC or Insurance Commission, Social Security System card, Government Service and Insurance System e-card and/or Senior Citizen's ID or such other IDs enumerated in the Application to Purchase. Individual applicants must also submit such other documents as may be reasonably required by any of the Lead Underwriter or Selling Agents in implementation of its internal policies regarding "knowing your customer" and anti-money laundering. An applicant who is exempt from or is not subject to withholding tax or who claims reduced tax treaty rates must indicate such exemption or entitlement in the Application to Purchase and also submit additional documents as may be required by the Issuer, including but not limited to, the documents described under "*Tax-Exempt Status or Entitlement to Preferential Tax Rate*" in this Prospectus.
36	Payment for the Series F Preferred Shares………………	The Offer Price of the Series F Preferred Shares subscribed for must be paid in full in Philippine Pesos upon submission of the Application. Payment for applicants directly submitting their Application to Purchase to any of the Lead Underwriter or Selling Agents: (i) a Metro Manila clearing cashier's/manager's or corporate check or personal check drawn against a bank account with a BSP-authorized agent bank located in Metro Manila and dated as of the date of submission of the Application to Purchase covering the entire number of the Series F Preferred Shares covered by the same Application. Checks should be made payable to "BDO Capital & Investment Corporation" and crossed "For Payee's Account only". Applications and the related payments shall be received by the Receiving Agent at its offices or other designated places during the Offer Period; or (ii) via direct debit from their deposit account maintained with the Lead Underwriter or Selling Agents.
37	Acceptance/Rejection of Applications……………………	The actual number of Series F Preferred Shares that an Applicant will be allowed to subscribe to is subject to the confirmation of the Lead Underwriter. ALCO reserves the right to accept or reject, in whole or in part, or to reduce any Application due to any grounds specified in the Underwriting Agreement entered into by ALCO, the Sole Issue Manager and Lead Underwriter. Applications which were unpaid or where

		payments were insufficient and those that do not comply with the Terms of the Offer shall be rejected. Moreover, any payment received pursuant to the Application does not ensure or indicate approval or acceptance by ALCO of the Application. An Application, when accepted, shall constitute an agreement between the Applicant and ALCO for the subscription to the Series F Preferred Shares at the time, in the manner and subject to terms and conditions set forth in the Application to Purchase and those described in the Prospectus. Notwithstanding the acceptance of any Application by ALCO, the actual subscription by the Applicant for the Series F Preferred Shares will become effective only upon listing of the Series F Preferred Shares on the PSE and upon the obligations of the Lead Underwriter under the Underwriting Agreement becoming unconditional and not being suspended, terminated or cancelled, on or before the Listing Date, in accordance with the provision of the said agreement. If such conditions have not been fulfilled on or before the periods provided above, all Application payments will be returned to the Applicants without interest. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to the Withdrawal of the Offer section of the Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.
38	Refunds of Application Payments……………………….	In the event that the number of Series F Preferred Shares to be allotted to an Applicant, as confirmed by a Lead Underwriter, is less than the number covered by its Application, or if an Application is wholly or partially rejected by ALCO, then ALCO 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 Series F Preferred Shares wholly or partially rejected. All refunds shall be made through the Lead Underwriter or Selling Agents with whom the Applicant has filed the Application at the risk of the applicant.
39	Withdrawal of the Offer……………………….	The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and PSE. The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of

		the Offer Period and prior to the Listing Date, if there is a supervening force majeure or fortuitous event, such as: a. An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international financial, political, economic or stock market conditions which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the Prospectus, or would have a material adverse effect on the Philippine economy, on the securities or other financial or currency markets of the Philippines, or on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it impracticable or inadvisable to proceed with the Offer in the manner contemplated by the Prospectus, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or the Sole Issue Manager, Lead Underwriter and Bookrunner's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Sole Issue Manager, Lead Underwriter and Bookrunner, or any other entity/ person to take up any Offer Shares remaining after the Offer Period; b. Issuance of an order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution or listing of the Offer Shares by any court or governmental agency or authority with jurisdiction on the matter, including the SEC or the PSE; c. Cancellation, revocation or termination of the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration and the SEC Permit to Sell; d. Cancellation or suspension of trading in the PSE for at least three (3) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by PSE; e. A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; or (b) the capacity and due authorization of the Issuer to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer, or (ii) would render illegal the performance by the Sole Issue Manager, Lead Underwriter and Bookrunner of its underwriting obligations hereunder;

		f. Any significant, adverse, and unforeseeable change or development in the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public; g. The Issuer decides to or is compelled to stop its operations which is not remedied within five (5) Business Days; h. The Issuer 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 assignment with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) the Issuer 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 (iii) such receiver, trustee or similar officer shall be appointed; or (iv) the Issuer shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against the Issuer; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the Issuer; or (vi) any event occurs which under the laws of the Philippines or to other jurisdictions, or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing; i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines; j. Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against the Sole Issue Manager, Lead Underwriter and Bookrunner in connection with or with respect to the issuance or sale by the Issuer of the Offer Shares or the Offer in general which renders the performance of its underwriting commitment impossible or impracticable; k. Any event occurs which makes it impossible for the Sole Issue Manager, Lead Underwriter and Bookrunner to perform its underwriting obligations due to conditions beyond their control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the Sole Issue Manager, Lead Underwriter and Joint Bookrunner, or directing the Sole Issue

		Manager, Lead Underwriter and Bookrunner to cease, from performing its underwriting obligations; l. Any representation, warranty or statement of the Issuer in the Prospectus shall prove to be untrue or misleading in any material respect or Issuer shall be proven to have omitted a material fact necessary in order to make the statements in the Prospectus not misleading, which untruth or omission: (a) was not known and could not have been known to the Sole Issue Manager, Lead Underwriter and Bookrunner on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability; m. Unavailability of PDTC and PSE facilities used for the Offer and/or Listing and such unavailability impacts the ability of the Issuer and the Sole Issue Manager, Lead Underwriter and Bookrunner to fully comply with the listing requirements of PSE; and n. Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability. The Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or the Sole Issue Manager, Lead Underwriter and Bookrunner's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Sole Issue Manager, Lead Underwriter and Bookrunner, or any other entity/ person to take up any shares remaining after the Offer Period. Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to this section and the "Plan of Distribution - Withdrawal of the Offer" of the Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date. Notwithstanding the foregoing, the Company and the Sole Issue Manager, Lead Underwriter and Bookrunner recognize and acknowledge that the PSE, in the exercise of its authority as a self-regulatory organization and further to its mandate to maintain a fair and orderly market, may impose appropriate sanctions and penalties on the Company and/or the Sole Issue Manager, Lead Underwriter and Bookrunner for the

		cancellation of the Offer if subsequently, the PSE makes a determination that the cancellation or suspension of the offer and/or the underwriting commitment was not warranted based on the facts gathered by PSE after proper evaluation. The Underwriting Agreement also provides for grounds for termination of the Offer by the Sole Issue Manager, Lead Underwriter and Bookrunner such as if there is a supervening force majeure or fortuitous event as described therein.
40	Underwriter's Firm Commitment to Purchase………………………	The Sole Issue Manager, Lead Underwriter and Bookrunner will fully underwrite, on a firm commitment basis, the Offer Shares. After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the (i) inability of the Company or the Sole Issue Manager, Lead Underwriter and Bookrunner to sell or market the Offer Shares or (ii) the refusal or failure by the Company, the Sole Issue Manager, Lead Underwriter and Bookrunner, or any other entity or person to comply with any undertaking or commitment to take up any shares remaining after the Offer Period. In undertaking the Sole Issue Manager, Lead Underwriter and Bookrunner's Firm Commitment to Purchase, the Sole Issue Manager, Lead Underwriter and Bookrunner hereby manifests its conformity to comply with and be bound by all duly promulgated and applicable listing and disclosure rules, requirements, and policies of the PSE.
41	Timetable………………………	The timetable of this Offer is as follows:

Receipt of SEC Pre-effective clearance	[October 8, 2024]
Receipt of PSE Notice of Approval	[October 16, 2024]
Dividend Rate Setting Date	[October 22, 2024]
Issuance of Permit to Sell and Order of Registration	[October 25, 2024]
Offer Period	[October 28 to November 4, 2024]
PSE Trading Participants' Commitment Deadline	[October 30, 2024, 12 noon]
Listing Date, Issue Date, and Commencement of Trading on the PSE	[November 11, 2024][7]

The dates indicated above are subject to the approval of the PSE and the SEC, market and other conditions, and may be changed.

[7] Any move shall be subject to the approval by the PSE depending on the holidays that might be declared by the government.

41	Sole Issue Manager, Lead Underwriter and Lead Bookrunner …………………..	BDO Capital & Investment Corporation
42	Selling Agents ……………..	Trading Participants of The Philippine Stock Exchange, Inc.
43	Depository Agent …………..	Philippine Depository & Trust Corp.
44	Receiving Agent, Stock Transfer Agent, and Paying Agent…………..	Stock Transfer Service, Inc.
45	Counsel to ALCO……….	SyCip Salazar Hernandez & Gatmaitan
46	Counsel to the Sole Issue Manager, Lead Underwriter and Bookrunner………	Romulo Mabanta Buenaventura Sayoc & De Los Angeles

Description of the Securities

Set forth below is information relating to the Series F Preferred Shares. This description does not purport to be a complete listing of all the features, rights, obligations, or privileges of the Series F Preferred Shares and is qualified in its entirety by reference to the Stock Transfer, Receiving and Paying Agency Agreement. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective investors are enjoined to carefully review the Articles of Incorporation, By-Laws and resolutions of the BOD and Shareholders of the Company, the information contained in this Prospectus, and the Stock Transfer, Receiving and Paying Agency Agreement.

SHARE CAPITAL

On August 30, 2016 and September 7, 2016, the BOD and stockholders representing at least 2/3 of the outstanding capital stock of the Company approved, respectively, the increase of its authorized capital stock by ₱50,000,000.00 or from ₱2,946,257,135.82 to ₱2,996,257,135.82 with the creation of 50,000,000 preferred shares with a par value of ₱1.00 per share.

On September 13, 2016, the Company filed an application with the SEC for the approval of the foregoing amendment, which was approved by the SEC on September 22, 2016.

Pursuant to the Company's amended Articles of Incorporation and By-Laws, the Company has an authorized capital stock of ₱2,996,257,135.82 consisting of 16,368,095,199 Common Shares with a par value of ₱0.18 per Common Share and 50,000,000 preferred shares with a par value of ₱1.00 per preferred share.

On May 4, 2022 and June 24, 2022, the BOD and stockholders representing at least 2/3 of the date outstanding capital stock of this Prospectus, the Company has approved, respectively, the decrease of its authorized capital stock of by ₱20,000,000.00 or from ₱2,996,257,135.82 to ₱2,976,257,135.82 with the cancellation of 20,000,000 preferred shares with a par value of ₱1.00 per preferred share. The decrease of authorized capital stock to cancel these preferred shares was due to the redemption of Series B Preferred Shares on December 6, 2021 from the holders thereof pursuant to the Offer Supplement to the Prospectus dated November 21, 2016 which stated the Company's option to redeem said shares on the fifth anniversary of its listing date, or on December 6, 2016, at the redemption price equal to the offer price plus any accrued and unpaid cash dividends due. Upon such redemption, the 20,000,000 Series B Preferred Shares were recorded as treasury shares of the Company.

Subsequently, on December 13, 2023 and January 31, 2024, the BOD and stockholders representing at least 2/3 of the outstanding capital stock of the Company approved, respectively, the increase of its authorized capital stock by ₱50,000,000.00 or from ₱2,976,257,135.82 to ₱3,026,257,135.82 through the creation of 50,000,000 preferred shares with a par value of ₱1.00 per share.

On February 12, 2024, the Company filed an application with the SEC for the approval of the foregoing SEC Amendment.

After approval of the SEC Amendment on 14 August 2024, the Company has an authorized capital stock of ₱3,026,257,135.82 consisting of 16,368,095,199 Common Shares with a par value of ₱0.18 per Common Share and 80,000,000 preferred shares with a par value of ₱1.00 per preferred share.

As of the date of this Prospectus, the Company's issued and outstanding capital stock is as follows:

(a) common shares of 5,318,095,199 Common Shares with par value of ₱0.18 share or aggregate par value of ₱957,257,135.82;

(b) 12,500,000 Series A Preferred Shares with par value of ₱1.00 per share or aggregate par value of ₱12,500,000.00;

(c) 6,000,000 Series D Preferred Shares with par value of ₱1.00 per share or aggregate par value of ₱6,000,000.00; and

(d) 14,000,000 Series E Preferred Shares with par value of ₱1.00 per share or aggregate par value of ₱14,000,000.00.

Following the approval of the Board of Directors of the Company on May 8, 2024, all the outstanding Series C Preferred Shares were redeemed on June 27, 2024 at a redemption price equal to the offer price thereof, or ₱100.00 per share, plus accrued and unpaid cash dividends due them as of June 27, 2024, after deducting transfer costs customarily chargeable to stockholders, as applicable.

Aggregate par value of the outstanding shares is ₱989,757,136 in total subscribed capital stock. Total paid-up capital, comprising additional paid-in capital and excluding ALCO's preferred shares which is held by MPI, amounts to ₱3,966,617,649.

The Series F Preferred Shares will be issued from the unissued authorized capital stock (as increased following the SEC Amendment). Once the Offer is completed, it is expected that the Company will have [up to] 4,000,000 outstanding Series F Preferred Shares in case the Oversubscription Option is not exercised at all, or up to 6,000,000 outstanding Series F Preferred Shares in case the Oversubscription Option is fully exercised.

A. COMMON SHARES

Voting Rights

Each Common Share is entitled to one vote at all stockholders' meetings for each Common Share standing in the stockholder's name in the books of the Company at the time of closing thereof for the purpose of the meeting.

At every election of directors, each stockholder entitled to vote during the meeting may vote each Common Share for as many persons as there are directors to be elected, or to cumulate said shares and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or distribute such votes on the same principle among as many candidates as the stockholder thinks fit.

Fundamental Matters Requiring Stockholder Approval

Corporate power and competence are lodged primarily with the BOD. However, the Revised Corporation Code considers certain matters as significant corporate acts that may be implemented only with the approval of stockholders, including those holding shares denominated as non-voting in the articles of incorporation. These acts, which require BOD approval and the approval of stockholders representing at least 2/3 of the issued and outstanding capital stock of the company in a meeting duly called for the purpose include:

- Amendment of the Articles of Incorporation[8];
- Extension or shortening of corporate term;

[8] The Omnibus Loan and Security Agreement dated April 15, 2015 entered into by the Company and BDO prohibits the Company from changing its ownership structure (i.e., amendments to its Articles of Incorporation to increase the authorized capital stock). The Company has secured the necessary approval from BDO on its recent increase in authorized capital stock and the corresponding amendment to its Articles of Incorporation.

- Increase or decrease of capital stock and incurring, creating or increasing bonded indebtedness;
- Delegation to the BOD the power to amend or repeal or to adopt new By-Laws;
- Sale of all or substantially all of the Company's properties and assets, including its goodwill;
- Merger or consolidation of the Company with another corporation or corporations;
- Investment of corporate funds in any other corporation, business or for any purpose other than the primary purpose for which the Company was organized;
- Voluntarily dissolving the Company where creditors are affected;
- Issuance of stock dividends;
- Ratifying a contract between the Company and a director, officer or their spouses and relatives within the fourth civil degree of consanguinity or affinity, where any of the following conditions is absent: (i) the presence of such director in the board meeting in which the contract was approved was not necessary to constitute a quorum; (ii) the vote of such director was not necessary for the approval of the contract; or (iii) the contract is fair and reasonable under the circumstances;
- Entering into a management contract with another corporation where (a) a stockholder or stockholders representing the same interest of both the managing corporation and the Company in case it is the managed corporation own or control more than 1/3 of the total outstanding capital stock entitled to vote of the managing corporation; or (b) where a majority of the members of the board of directors of the managing corporation also constitute a majority of the members of the BOD of the Company in case it is the managed corporation;
- Removal of directors;
- Ratification of an act of disloyalty by a director as described under Section 33 of the Revised Corporation Code; 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.

No Pre-emptive Rights

The Articles of Incorporation of the Company currently deny pre-emptive rights to holders of shares of stock of the Company over all issuances of the Company's shares. However, stockholders representing at least 2/3 of the Company's issued and outstanding capital stock voting at a stockholders' meeting duly called for the purpose may amend the Articles of Incorporation to grant pre-emptive rights to subscribe to a particular issue or other disposition of shares from the Company's capital. Pre-emptive rights may not extend to shares to be issued in compliance with laws requiring stock offerings or minimum stock ownership by the public; or to shares to be issued in good faith with the approval of the stockholders representing two-thirds of the outstanding capital stock in exchange for property needed for corporate purposes or in payment of a previously contracted debt.

Derivative Suits

Philippine law recognizes the right of a stockholder to institute, under certain circumstances, 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 themselves are the malefactors.

Appraisal Rights

The Revised Corporation Code grants a stockholder a right of appraisal in certain circumstances where such stockholder has dissented and voted against a proposed corporate action,

- An amendment to the Articles of Incorporation which has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence of the corporation;

- The sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all the corporate property and assets as provided under the Revised Corporation Code;

- A merger or consolidation; and

- The investment of corporate funds for any purpose other than the primary purpose of the corporation.

In these circumstances, the dissenting stockholder may, by making a written demand, require the corporation to pay the fair value of shares held within thirty (30) days from the date the vote was taken. If within 60 days from approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three disinterested persons, one of whom shall be named by the stockholder, one by the corporation, and the third by the two thus chosen. The findings of the majority appraisers shall be final, and their award shall be paid by the corporation within 30 days after such award is made. No payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover the payment.

Within ten (10) days after demanding payment for shares held, a dissenting stockholder shall submit the certificates of stock representing the shares to the corporation for notation that such shares are dissenting shares. Failure to do so shall, at the option of the corporation, terminate the appraisal rights. If shares represented by the certificates bearing such notation are transferred, and the certificates consequently cancelled, the rights of the transferor as a dissenting stockholder (pursuant to the provisions on appraisal rights) shall cease and the transferee shall have all the rights of a regular stockholder; and all dividend distributions which would have accrued on such shares shall be paid to the transferee.

Right to Dividends of Common Shares

Dividends shall be declared from the unrestricted retained earnings of the Company, at such time and in such amounts as the BOD may determine. Declarations of stock dividends shall be submitted to a stockholders' meeting for approval within 40 business days from such approval by the BOD. The record date for stock dividends shall not be earlier than the date of approval by the stockholders. Meanwhile, declaration of cash dividends shall have a record date, which shall not be less than fifteen (15) business days but not more than 20 business days from the date of the declaration of the BOD. Meanwhile, declaration of cash dividends shall have a record date, which shall not be less than ten (10) business days but not more than thirty (30) business days from the date of the declaration of the BOD, or such other period mandated by applicable laws and regulations of any administrative body the Corporation is subject of.[9] The disclosure of the record date must not be less than ten (10) trading days from the said date, while the payment date shall not be more than eighteen (18) trading days from the record date.[10]

[9] Section 2, Article VII of the By-laws.
[10] PSE Memorandum No. 2008-0315 dated June 30, 2008.

Right of Inspection and Disclosure Requirements

Philippine stock corporations are required to file an annual General Information Sheet, which sets forth data on their management and capital structure, with the SEC and copies of their annual financial statements with the SEC and the BIR. Corporations whose shares are listed on the PSE are also required to file current, quarterly and annual reports with the SEC and the PSE. Stockholders are entitled to copies of the most recent financial statements of the corporation in the form and substance of financial reporting required by the SEC, within ten (10) days from receipt of a written request. Stockholders are also entitled to inspect and examine the books and records which the corporation is required by law to maintain.

Change in Control

The Company's Articles of Incorporation provides that no transfer of stock or interest, which will reduce the ownership of Filipino citizens to less than the required percentage of the outstanding capital stock, shall be allowed or permitted to be recorded in the stock and transfer book.

The Philippine Constitution and related statutes set forth restrictions on foreign ownership of companies engaged in certain activities. Foreign equity participation in entities such as the Company, which owns land in the Philippines, is 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 Series F Preferred Shares and cannot record transfers in the books of the Company if such issuance or transfer would cause the Company to be in breach of the restrictions on foreign land ownership discussed above. For more information relating to restrictions on the ownership of the Series F Preferred Shares, see the discussion on Regulatory Regulations covering restrictions on foreign ownership in page [234] of this Prospectus.

Mandatory Tender Offers

Under the implementing rules and regulations of the SRC, subject to certain exceptions:

- Any person or group of persons acting in concert, who intends to acquire 15% of equity securities in a public company in one or more transactions within a period of 12 months, shall file a declaration to that effect with the SEC.

- Any person or group of persons acting in concert, who intends to acquire 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board in a public company in one or more transactions within a period of 12 months, shall disclose such intention and contemporaneously make a tender offer for the percentage sought to all holders of such securities within the said period.

- Any person or group of persons acting in concert, who intends to acquire 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board in a public company directly from one or more stockholders shall be required to make a tender offer for all the outstanding voting shares. The sale of shares pursuant to the private transaction or block sale shall not be completed prior to the closing and completion of the tender offer.

- If any acquisition that would result in ownership of over 50% of the total outstanding equity securities of a public company, the acquirer shall be required to make a tender offer for all the outstanding equity securities to all remaining stockholders of said company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer in such a tender offer shall be required to accept all securities tendered.

MEETINGS OF THE SHAREHOLDERS

Annual Meeting of Stockholders

Annual Meeting of the stockholders of the Company is held every last Friday of June each year. In this meeting, the stockholders elect, by a plurality of vote through ballot, a board composed of nine directors, including two independent directors, to serve for one year or until their successors are elected and qualified. Before the date of the Annual Meeting, written notice stating the date, time, and place of the meeting shall be sent to each registered stockholder through personal service, fax or ordinary mail at least fifteen (15) business days prior to the date of the meeting or published in a newspaper of general circulation at least once and at least fifteen (15) business days prior to the date of the meeting.

Moreover, under the implementing regulations of the SRC, the information statement required to be prepared in connection with a stockholders' meeting, together with the proxy form and management report required under the said regulations (if applicable), shall be distributed to the security holders at least fifteen (15) business days prior to the date of the stockholders' meeting. Also, pursuant to SEC Memorandum Circular No. 3, series of 2020, written notice of regular meetings shall be sent to all stockholders of record at least twenty-one (21) calendar days prior to the date of the meeting.

Special Meetings of Stockholders

Special meetings of the stockholders may be called by the BOD, the Chairman, the President or upon written demand to the Corporate Secretary by stockholders owning a majority of the outstanding voting stock. In case of the latter, the BOD shall set the date, time and place for the meetings, which date shall be within 40 business days from receipt by the Corporate Secretary of such written demand by the stockholders. In all other cases, written notice stating the date, time, place and purpose of the meeting shall be sent to each registered stockholder through personal service, fax or ordinary mail at least fifteen (15) business days prior to the date of the special meeting, or published in a newspaper of general circulation at least once and at least fifteen (15) business days prior to the date of the meeting.

Under SEC Memorandum Circular No. 7, series of 2021, any number of shareholders of a corporation ("**Qualifying Shareholders**") who hold at least 10% or more of the outstanding capital stock ("**Qualifying Shares**") of a publicly listed company shall have the right to call for a special stockholders' meeting, subject to the guidelines provided under Section 49 of the Revised Corporation Code and other relevant regulations. The Qualifying Shareholders should have continuously held the Qualifying Shares for a period of at least one year prior to the receipt by the Corporate Secretary of a written call for a special stockholders' meeting. The said circular provides for the procedures and requirements in relation to the exercise of the foregoing right.

Place of Meetings

All meetings of the stockholders shall be held at the principal office of the Company or at such places within Metro Manila as the BOD may determine.

Proxy

Stockholders entitled to vote may vote in all meetings either in person or by proxy given in writing and signed by the stockholders concerned and presented to the Corporate Secretary at least five business days prior to the date of the meeting for verification and record purposes. Such proxies may be revoked either in an instrument in writing duly presented and recorded with the Corporate Secretary prior to the scheduled meeting, or by their personal presence at the meeting.

Quorum and Voting

Stockholders present or represented in the meeting and owning a majority of the outstanding voting stock shall constitute a quorum for the transaction of business at the meeting. When there is a quorum, the vote of the stockholders owning a majority of the outstanding stock present or represented at such meeting shall decide on any matter brought before such meeting, unless the affirmative vote of stockholders owning a greater capital stock is required by law.

B. PREFERRED SHARES

Pursuant to the amended Articles of Incorporation of the Company which was approved by the SEC on August 14, 2024, the preferred shares shall be redeemable and have such features as the BOD may prescribe, but in no case shall such preferred shares be voting or participating.

As of the date of this Prospectus, the Company's issued and outstanding preferred capital stock is as follows:

Series	Par Value	No. of Issued and Outstanding Preferred Shares	Aggregate Par Value
Series A Preferred Shares	₱1.00 per share	12,500,000	₱12,500,000.00
Series D Preferred Shares	₱1.00 per share	6,000,000	₱6,000,000.00
Series E Preferred Shares	₱1.00 per share	14,000,000	₱14,000,000.00

All 20,000,000 Series B Preferred Shares, which had been fully redeemed by the Company in December 2021 and thereafter recorded as treasury shares, have been cancelled following the approval of the SEC Amendment on August 14, 2024.

All 10,000,000 Series C Preferred Shares were redeemed on June 27, 2024 and now form part of the Company's treasury shares.

Series A Preferred Shares Outstanding

By virtue of the Certificate of Filing of Enabling Resolution issued by the SEC on November 22, 2016, the Series A Preferred Shares shall have features, rights and privileges as set out below:

Instrument	Cumulative, non-voting, non-participating, non-convertible Peso-denominated Series A Preferred Shares (the "**Series A Preferred Shares**").
Subscriber	MPI
Size and Offer Price	12,500,000 Series A Preferred Shares, at an offer price of ₱1.00 per share (the "**Series A Offer Price**").
Par Value	The Series A Preferred Shares have a par value of ₱1.00 per share.
Dividend Rate	The Series A Preferred Shares will, subject to certain dividend payment conditions, bear cumulative, non-participating cash dividends based on the Series A Offer Price, commencing on the issue date of the Series B Preferred Shares and payable annually on every anniversary of such issue date. The dividend rate shall be 6.0458%.

Optional Redemption	Applicable only if the Series B Preferred Shares and all other preferred shares ranking *pari passu* with the Public Preferred Shares have been fully redeemed.
No Sinking Fund	ALCO has not established, and currently has no plans to establish, a sinking fund for the redemption of the Series A Preferred Shares.
Liquidation Rights	Rank junior to the Public Preferred Shares
Status of the Series A Preferred Shares in relation to the declarationand payment of dividends, redemption and liquidation	The Series A Preferred Shares, together with Series E Preferred Shares will be subordinated to the Public Preferred Shares. Accordingly, the obligations of the Company under the Series A Preferred Shares will not be satisfied unless the Company can satisfy in full all of its other obligations ranking senior to the Series A Preferred Shares, including the Public Preferred Shares.
Governing Law	The Series A Preferred Shares will be issued pursuant to the laws of the Republic of the Philippines.

The Series D Preferred Shares Outstanding

Further to the Certificate of Permit to Offer Securities For Sale issued on November 18, 2021, the Series D Preferred Shares have features, rights and privileges as summarized below:

Instrument	Cumulative, non-voting, non-participating, non-convertible, redeemable Peso- denominated Series D Preferred Shares. The Series D Preferred Shares once redeemed are non-reissuable.
Size and Offer Price	6,000,000 Series D Preferred Shares, at an offer price of ₱500 per share (the "**Series D Offer Price**").
Par Value	The Series D Preferred Shares have a par value of ₱1.00 per share.
Dividend Rate	The Series D Preferred Shares will, subject to certain dividend payment conditions, bear cumulative, non-participating cash dividends (the "Dividends") based on the Offer Price, payable quarterly in arrears every Dividend Payment Date at the Dividend Rate per annum reckoned from Issue Date. Dividends will be calculated on a 30/360-day basis. The term "dividend Rate" means (a) from the Issue Date up to the Initial Optional Redemption Date, the Original Dividend Rate, and (b) from the Initial Optional Redemption Date, the higher of the Original Dividend Rate and the Step Up Rate

Original Dividend Rateand Original Spread	The original dividend rate (the "Original Dividend Rate") shall be at the fixed rate of 6.0000% per annum.
Dividend Rate Step-Up	Unless the Series D Preferred Shares are redeemed by ALCO on the fifth anniversary of the Series D Preferred Shares Listing Date, the Dividend Rate shall be adjusted thereafter to the higher of: (a) Original Dividend Rate, or (b) the sum of: i. the 3-day average of the 10-year BVAL preceding and including the Initial Optional Redemption Date, and ii. the Original Spread x 250% (this item b, the "Step Up Rate"). For the avoidance of doubt, (a) 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 and (b) there will be no additional increase in the Dividend Rate after the Step Up Rate is applied.
Optional Redemption	As and if approved by the BOD of ALCO and subject to the requirements of applicable laws and regulations, and ALCO's financial covenants, ALCO has the sole option, but not the obligation, to redeem all (but not part) of the outstanding Series D Preferred Shares, having given to the Stock Transfer Agent, 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 at a redemption price equal to the Offer Price of the Series D Preferred Shares, plus any accrued and unpaid cash dividends due them on such Dividend Payment Date 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 Series D Preferred Shares as of the relevant record date set by ALCO for such redemption. ALCO may, at its sole option, subject to the requirements of applicable laws and regulations and ALCO's financial covenants, also redeem the Series D Preferred Shares, in

	whole but not in part, at any time if an Accounting Event, a Tax Event or a Change in Control 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 ALCO at the Redemption Price, which shall be paid on the date of redemption set out in the notice. Upon the occurrence of a Change in Control Event, ALCO may elect to redeem the Series D Preferred Shares. If ALCO redeems the Series D Preferred Shares within a period not exceeding thirty (30) days from the occurrence of a Change in Control Event, the redemption shall be made by ALCO at the Redemption Price prevailing immediately prior to the Change in Control Event. If ALCO does not redeem the Series D Preferred Shares within thirty (30) days from the occurrence of a Change in Control Event: (a) the Dividend Rate will be increased by 400 basis points per annum, commencing on and including the day on which a Change in Control Event has occurred; and (b) ALCO may still redeem at any time the Series D Preferred Shares at the Redemption Price. For the avoidance of doubt, the Redemption Price shall include the additional 400 basis points per annum constituting the increase in Dividend Rate, commencing on and including the day on which a Change in Control Event has occurred until the date of redemption, as provided under item (a) above. The Company's decision to redeem the Series D Preferred Shares on the Optional Redemption Date or on other applicable dates will depend on a number of factors including the availability of cash from dividends from the Company's subsidiaries which undertake its various projects and the availability of alternative refinancing options on the Optional Redemption Date or on such other applicable dates. If the Company chooses to redeem on the Optional Redemption Date or on such other applicable dates, the Series D Preferred Shares will be recorded as treasury shares and will be cancelled. However, while the Series D Preferred Shares may be redeemed regardless of the existence of unrestricted retained earnings, this is subject to the condition that the corporation has, after such redemption, assets in its books to cover debts and liabilities inclusive of capital stock. Redemption, therefore, may not be made where the corporation is insolvent or if such redemption will cause

	insolvency or inability of the corporation to meet its debts as they mature. The Company may also repurchase the Series D Preferred Shares anytime at the market.
No Sinking Fund	ALCO has not established, and currently has no plans to establish, a sinking fund for the redemption of the Series D Preferred Shares.
Liquidation Rights	In the event of a return of capital in respect of ALCO's winding up or otherwise (whether voluntarily or involuntarily) (but not on a redemption or purchase by ALCO of any of its share capital), the holders of the Series D Preferred Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of ALCO available for distribution to shareholders, together with the holders of any other shares of ALCO ranking, as regards repayment of capital, *pari passu* with the Public Preferred Shares and before any distribution of assets is made to holders of any class of ALCO shares ranking junior to the Series D Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal to the Offer Price per share plus an amount equal to the Arrears in Dividends, any dividends declared unpaid in respect of the previous dividend period, and any accrued and unpaid dividends for the then current dividend period to (and including) the date of commencement of ALCO's winding up or the date of any such other return of capital, as the case may be. If, upon any return of capital in the winding up of ALCO, the amount payable with respect to the Series D Preferred Shares and any other shares of ALCO ranking as to any such distribution *pari passu* with the Public Preferred Shares are not paid in full, the holders of the Series D Preferred Shares and of such other shares will share proportionately in any such distribution of the assets of ALCO in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Series D Preferred Shares will have no right or claim to any of the remaining assets of ALCO and will not be entitled to any further participation or return of capital in a winding up.
Status of the Series D Preferred Shares in relation to the declaration and payment of dividends, redemption and liquidation	*Pari passu* with the Public Preferred Shares The Series D Preferred Shares will constitute the direct and unsecured subordinated obligations of ALCO ranking at least *pari passu* in all respects and ratably without preference or priority among themselves. The Series D Preferred Shares rank junior in right of payment to all indebtedness of the Company and claims against the Company which rank or are expressed to rank senior to the Series C Preferred Shares. Accordingly, the obligations of the Company under the Series D Preferred Shares will not be

	satisfied unless the Company can satisfy in full all of its other obligations ranking senior to the Series D Preferred Shares. There is no agreement or instrument that limits or prohibits the ability of ALCO to issue Series D Preferred Shares or other securities, and ALCO may at any time issue such other securities that rank *pari passu* with the Series D Preferred Shares or with terms and conditions different from the Series D Preferred Shares. For the avoidance of doubt, the Series A Preferred Shares and Series E Preferred Shares rank junior in right of payment and claims against the Company to the Public Preferred Shares.
Governing Law	The Series D Preferred Shares were issued pursuant to the laws of the Republic of the Philippines.

Series E Preferred Shares Outstanding as of the Date of this Prospectus

Pursuant to the Certificate of Filing of Enabling Resolution dated June 18, 2024, the Series E Preferred Shares shall have features, rights and privileges as set out below:

Instrument	Cumulative, non-voting, non-participating, non-convertible Peso-denominated Series E Preferred Shares (the "**Series E Preferred Shares**").
Subscriber	MPI
Size and Offer Price	14,000,000 Series E Preferred Shares, at an offer price of ₱1.00 per share (the "**Series E Offer Price**").
Par Value	The Series E Preferred Shares have a par value of ₱1.00 per share.
Dividend Rate	The Series E Preferred Shares will, subject to certain dividend payment conditions, bear cumulative, non-participating cash dividends based on the Series E Offer Price, commencing on the issue date of the Series F Preferred Shares and payable annually on every anniversary of such issue date. The dividend rate shall be [100] basis points below the dividend rate of the other preferred shares to be issued by the Company subsequently to the public.
Optional Redemption	Applicable only if all other preferred shares ranking *pari passu* with the Public Preferred Shares have been fully redeemed.
No Sinking Fund	The Company has not established, and currently has no plans to establish, a sinking fund for the redemption of the Series E Preferred Shares.
Liquidation Rights	Rank junior to the Public Preferred Shares

Status of Series E Preferred Shares in relation to the declaration and payment of dividends, redemption and liquidation	The Series E Preferred Shares, together with Series A Preferred Shares will be subordinated to the Public Preferred Shares. Accordingly, the obligations of the Company under the Series E Preferred Shares will not be satisfied unless the Company can satisfy in full all of its other obligations ranking senior to the Series A and Series E Preferred Shares, including the Public Preferred Shares.
Governing Law	The Series E Preferred Shares were issued pursuant to the laws of the Republic of the Philippines.

Series F Preferred Shares

Please refer to the discussion under "Terms of the Offer" in page [28] of this Prospectus for the terms and conditions covering the Series F Preferred Shares.

Risk Factors

General Risk Warning

An investment in the Preferred Shares involves a number of risks. 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 and there may be a large difference between the buying price and the selling price of the Preferred Shares. The occurrence of any of the following events, or other events not currently anticipated, could have a material adverse effect on the business, financial condition, results of operations and cause the market price of the Preferred Shares to decline. All or part of an investment in the Preferred Shares could be lost. Investors deal 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. Investors should undertake independent research and study the trading of these securities before commencing any trading activity. Investors may request publicly-available information on the Preferred Shares and ALCO from the SEC or may check the Company's Disclosures at the PSE EDGE.

Professional Advice

An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially high-risk securities.

Risk Factors

This Prospectus contains forward-looking statements that involve risks and uncertainties. ALCO 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. See section "Forward-Looking Statements" of this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of ALCO, in particular, and those that pertain to the overall political, economic, and business environment, in general. These risk factors and the manner by which these risks shall 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.

The Company discussed how these risks have affected and may potentially affect its operations and listed mitigating factors to address these risks.

Investors should carefully consider all the information contained in this Prospectus including the risk factors described below, before deciding to invest in the Preferred Shares. The business, financial condition and results of operations of the Company could be materially and adversely affected by any of these risk factors.

RISKS RELATING TO ALCO AND ITS SUBSIDIARIES

No assurance of successful implementation of business plans and strategies

ALCO is susceptible to the possibility of not being able to implement its business plans and strategies, especially with respect to new projects and undertakings. While ALCO has successfully completed Arya, ACPT, Cebu Exchange and Savya Financial Center on time and within the budget, it has several ongoing projects such as Sevina Park Villas, Lucima, Una Apartments and Eluria which still face uncertainty in terms of completion and revenue results. In addition, there is no assurance that the Company will be able to successfully complete the necessary property acquisition for its planned projects which include Makati CBD Residential Project 1, Project Olive, Project Vanilla, and Project Teal.

Real estate developments are subject to risks such as delays in obtaining financing, finalizing project plans, obtaining approvals, increases in construction costs, natural calamities and market downturns. ALCO's future financial performance may be significantly affected by factors that limit its ability to finance and complete its current and future projects in a timely and cost-effective manner and to market them successfully. There is no guarantee that ALCO's future projects will be successfully completed and sold or leased as planned, replicating the outstanding outcome of Arya, ACPT, Cebu Exchange and Savya Financial Center. There is likewise no guarantee that the take-up for its new developments will remain robust.

However, the Company continues to capitalize on the extensive experience of its management team composed of highly experienced industry veterans carrying a wealth of cumulative management experience to execute its plans through a deep understanding of its market as well as the careful formation of its strategies. ALCO also banks on the success of Arya, ACPT, Cebu Exchange and Savya Financial Center as proof of its track record and capability to deliver quality projects on schedule and within budget.

Moreover, ALCO's ongoing developments which include Sevina Park Villas, Lucima, Una Apartments and Eluria are grounded on sound business strategies based on careful assessment of market demand and trends. For instance, Eluria benefits from the limited supply of comparable ultra-luxury residential developments in the Makati CBD. In addition, the Company was able to capture the increasing demand for high quality products catering to the broader mid-market segment brought about by a continuing housing backlog in the midst of a growing economy. The first tower of Una Apartments was substantially sold out within the first year of launch thereby prompting the earlier launch of the second tower which likewise registered favorable take up within the first months of its launch.

The Company continually looks for growth opportunities in different market segments and geographic areas to diversify risk and to provide a steady revenue base.

The Company may be unable to complete the acquisition of properties necessary for the projects that form part of the use of proceeds for this Offer

The Company is currently negotiating for the acquisition of the property that will be developed into Project Teal for which a portion of the net proceeds from this Offer has been allocated. There is no assurance that the Company will be able to successfully acquire this property given the intense competition in the industry for prime properties in key urban areas.

To mitigate this risk, the Company maintains a continuous pipeline of potential acquisitions that will match its developmental plans and has been approached by several landowners as the preferred developer for their properties given the Company's track record for outstanding developments that carry multiple certifications and the Company's ability to execute flexible acquisition structures that are mutually beneficial to the Company and to the landowner. The Company further undertakes to ensure that any material or substantial adjustment to the use of proceeds, as indicated above, will be approved by the company's BOD and disclosed to the PSE.

The Company's business is inherently volatile

The Company's primary focus has been the development and sale of real estate. While the Company has established recurring income resulting from leasing operations of ACPT, Arya Plaza, Courtyard Hall and selected units in Cebu Exchange, recurring income is expected to account for less than 10% of the Company's overall expected revenues in the mid-term. Further, the Company's revenues, and consequently, its profits vary year-on-year, depending on several factors, including the completion and demand for its projects, as well as its available real estate inventory for sale. Prior year's financial performance does not guarantee future financial performance of the Company.

To mitigate this risk, the Company ensures that its fixed overhead costs are covered by revenues from its leasing operations and project management fees across all active projects. To further address volatility in revenues and earnings, ALCO takes specific measures to enable it to launch and complete its projects on a timely basis.

The Company operates in a highly regulated environment, and it is affected by the development and application of regulations in the Philippines. The Company's failure to maintain regulatory licenses and permits could materially and adversely affect its operating and financial performance.

The Philippine property development industry is highly regulated. The development of subdivision and other residential projects is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects that are to be located on agricultural land must get clearance from the Philippine Department of Agrarian Reform ("**DAR**") so that the land can be re-classified as non-agricultural land and, in certain cases, tenants occupying agricultural land may have to be relocated at the Company's expense. Presidential Decree No. 957, as amended, and Batas Pambansa Blg. 220 ("**BP 220**") are the principal statutes, which regulate the development and sale of real property as part of a condominium project or subdivision. PD 957 and BP 220 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes. The Department of Human Settlements and Urban Development ("**DHSUD**") is the administrative agency of the Government, which enforces these statutes.

All subdivision development plans are required to be filed with and approved by the local government unit with jurisdiction over the area where the project is located. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit. There can be no assurance that the Company, its subsidiaries or associates or partners will be able to obtain governmental approvals for its projects or that when given, such approvals will not be revoked.

In addition, owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of subdivision lots and housing units. Project permits and any license to sell may be suspended, cancelled or revoked by the DHSUD based on its own findings or upon complaint from an interested party and there can be no assurance that the Company, its subsidiaries, associates or partners will in all circumstances, receive the requisite approvals, permits or licenses or that such permits, approvals or licenses will not be cancelled or suspended. Any of the foregoing circumstances or events could affect the Company's ability to complete projects on time, within budget or at all, and could have a material adverse effect on its financial condition and results of operations.

The Company's licenses and permits are subject to review, interpretation, modification or termination by the relevant authorities. These licenses and permits may not be renewed on terms commercially acceptable to the Company, or at all. The relevant government authorities have ultimate discretion over whether licenses or permits will be granted or revoked. Any loss or failure to renew, obtain and maintain the Company's licenses and permits or comply with the terms and conditions of such licenses and permits, may delay the Company's development and expansions plans, expose the Company to sanctions or require the Company to cease providing its services, any of which could materially and adversely affect its business, results of operations, financial condition and prospects.

To mitigate the risk of the development and application of regulations in the Philippines having an adverse effect on ALCO's projects, the Company's Legal Department and Engineering Department ensure that all projects are compliant with Government regulations and specifications. Furthermore, the Company closely monitors regulations, maintains open dialogue and communication with the appropriate regulatory authorities and endeavors to adequately and timely comply with all laws and regulations. Likewise, permits and approvals are regularly monitored by the Company to ensure that all are properly renewed and maintained.

Ability to obtain financing at favorable terms and interest rates

The Company and its subsidiaries obtain or plan to obtain medium-term and long-term financing at favorable terms to cover a portion of the capital expenditures needed to develop their projects and general corporate purposes. There is no assurance that the Company or its subsidiaries can continue to raise the additional financing needed to execute its future plans, including refinancing debt, at favorable terms. Aside from this, higher inflation and interest rates could have a material adverse effect on the Company's, its subsidiaries' and its customers' ability to obtain financing.

Higher interest rates, factors that affect interest rates, such as the Government's fiscal policy, inflation, foreign exchange rates, as well as government policy on limiting the exposure of financial institutions to real estate, could have a material adverse effect on the Company and on demand for its products.

The occurrence of any of the foregoing events, or any combination of them, or of any similar events can have a material adverse effect on the Company's business, financial condition and results of operations.

While these risks are inherently uncontrollable, the Company practices prudent financial management and has included provisions for higher borrowing rates in its plans given the current high interest rate environment. The Company continues to enforce financial discipline by adhering to the following: (1) matching financing tenors to the projects' cash flows to minimize refinancing risk in the middle of the project; (2) limiting borrowings to peso-denominated loans to eliminate foreign exchange risk from its financing activities; (3) structuring the capitalization for each project to ensure that the debt-to-equity ratio of each is maintained at conservative levels well below industry averages and at acceptable debt-to-equity ratios for bank financing; (4) ensuring that cash flows from each of the projects are not commingled with other projects and (5) ensuring the project cost is fully funded, keeping reliance on collections from pre-selling at a low percentage of total revenues for each project.

Possibility of a rapid increase of interest rates and fluctuation in foreign exchange rates

There is no guarantee that interest rates, in general, will remain at current levels. Interest rates may continue to increase and foreign exchange rates may continue to fluctuate because of developments both in the global and the domestic stage. A significant number of ALCO's customers rely on bank financing. An increase in interest rates may adversely affect the take up of ALCO's future projects resulting from the lack of affordable financing. While ALCO's construction contracts are peso denominated and any dollar denominated elements of construction cost are priced in pesos by its contractors and sub-contractors upfront, ALCO noted that in recent years, contractors generally included a larger allowance for movements in component parts due to foreign exchange fluctuations, among other factors.

To mitigate the effect of higher bank financing costs on demand for its products, the Company took steps to establish itself in the market segment which has shown greater holding power, and which has generally demonstrated flexibility in accessing alternative funding sources for their real estate purchases. The Company's internal processes include a system for vetting the identities and credit standing of its potential buyers. As a result, ALCO's customers are less likely to default on their financial commitments notwithstanding an increase in interest rates.

The Company saw minimal default, cancellation rates and pre-termination rates across all its projects. As of August 31, 2024, the scheduled collections amounted to ₱15.1 billion and the actual collections amounted to ₱14.8 billion, resulting in a manageable default rate of 2.2% and which was slightly higher than the default rate of 2.0% as of December 31, 2023. The default rate as of August 31, 2024, however, is an improvement from default rate of 4.6% as of December 31, 2022 and 5.5% as of December 31, 2021.

To support the financing requirements of its buyers in the broader mid-market segment, ALCO executed an agreement with the National Home Mortgage Finance Corporation ("**NHMFC**") to allow ALCO's buyers to avail of the NHMFC's Balai Berde financing program under which buyers may finance up to ₱6.00 million of the purchase price of their residential units with up to 30-year loans at fixed preferential rates that are as low as 3.0% per annum on the condition that the project for which the units are purchased has attained certification under the IFC's EDGE program. Given that our residential projects are all registered and on-track to achieve EDGE certification, the partnership with the NHMFC will potentially benefit qualified buyers of our residential projects and will mitigate risks associated with higher financing costs from standard housing loans from banks.

To mitigate risks due to foreign exchange fluctuations, the Company conducts periodic thorough reviews of prevailing costs of imported components and adjusts its procurement strategies to generate cost savings. The Company also decided to include additional contingencies for foreign exchange fluctuations especially for new projects.

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

There is intense competition among real estate developers for prime properties in the Philippines. It is uncertain whether ALCO can secure properties to ensure that its development activities continue.

However, the Company's mid-term plan only includes new projects for which properties are already owned by the Company or for which preliminary agreements have been executed to support the expected closing of transactions for the acquisition of the necessary properties within 2024 including Project Olive, Project Vanilla, Makati CBD Residential Project 1 and Project Teal. This allows for better visibility for the schedule of project launches which will drive profitability in the mid-term. To further mitigate risk on land acquisition, the Company remains constantly on the lookout for opportunities to acquire properties that will match its developmental plans should any of these on-going discussions be terminated and for new opportunities to support growth beyond its mid-term plans.

Further, the Company also benefits from being regarded highly by existing customers and partners. As a result, landowners continue to approach the Company as the preferred developer for their properties.

Significant competition in the real estate industry

The Company's ability to sell or lease its projects may be adversely affected by the competition from other larger high-end real estate developers which already have established market bases and have been in the market for a longer amount of time, potentially allowing them to have greater flexibility in pricing and payment terms. This may adversely affect the Company's sales velocity.

ALCO considers two (2) direct competitors in the high-end residential market segment in terms of comparable quality of development and pricing of products – Ayala Land, Inc. and Rockwell Land Corporation. These companies have been in the business many years earlier than ALCO and they have strong brand equity, long track record, and big balance sheets. In the office development front, ALCO competes with both large and medium-scale developers such as Ayala Land, Inc., The Net Group, Daiichi Properties, and other local developers, particularly in Cebu City. These companies are considered to have the greater share of the market at the moment.

To mitigate this risk, the Company continues to focus on its identified market niches and highlights its strengths in sustainable and green developments to continue building a reputation of quality projects recognized internationally for superior architecture and interior design. ALCO benefits from the strategic placement of its landbank and uses competitive pricing to continue serving its niche market.

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

While the Philippines has adopted a system of land registration which is intended to conclusively confirm land ownership, and which is binding on all persons (including the Government), it is not uncommon for third parties to claim ownership of land which has already been registered and over which a title has been issued. The Company's subsidiary, UPHI, is a party to cases involving quieting of title and expropriation involving a small portion of its property in Tagaytay City. Litigation may result in delays or suspension of development plans. (For a more detailed discussion, see "Legal Proceedings".)

The Company mitigates this risk by requiring comprehensive due diligence on potential properties for acquisition before consummating a binding offer to purchase the same.

Environmental laws may adversely affect the Company's business

Real estate developers are required to strictly follow the guidelines of the Department of Environment and Natural Resources ("**DENR**") and to secure various permits and licenses for each project. Any changes in the current environmental laws, and regulations applicable to the Company may increase the Company's operating expenses and may require significant compliance efforts from, and additional compliance costs for, the Company.

To mitigate this risk, ALCO faithfully complies with environmental laws and continues to keep abreast of any changes in such laws which may have an impact on its business.

(For a more detailed discussion, see "Regulatory Framework".)

Delays in the completion of projects and failure to meet customers' expectation and standards could adversely affect the Company's reputation and its business and financial performance

The Company's reputation may be negatively affected if any of its projects experiences construction or infrastructure failures, design flaws, significant project delays, and quality control issues. Any of these issues may consequently make it more difficult for the Company to attract new customers for its future projects. Any negative effect that may stain the Company's reputation may pose difficulties in selling or leasing its projects and may have an effect on its other current and future projects.

To mitigate this risk, the Company engages the services of reputable and experienced architects, designers, project managers and technical consultants, locally and internationally. The Company likewise engages the top general contractors in the Philippines to ensure that its projects are constructed in accordance with plans, specifications and agreed schedules. The selection of all third-party professionals, contractors, and suppliers passes through a prequalification process and competitive bidding. Contracts will include provisions for warranties, penalties, performance bonds and liquidated damages for delay and unsatisfactory workmanship. The Company likewise maintains its own technical team that monitors the progress and construction quality to ensure that the project is executed in accordance with set standards. Questions and/or requests from customers are addressed by the Company in a timely fashion.

Cyclicality of Property Development

The property development sector is cyclical and is subject to the Philippine economic, political, and business performance. The industry is dependent primarily on consumer spending and investment for housing. In the past years, a significant portion of housing demand, particularly on the low end of the spectrum, was driven by purchases from the overseas workers' market. This exposes the industry to the economic performance of foreign countries where these overseas workers are concentrated, such as the United States, the Middle East and certain countries in Europe.

The office market has been largely driven by the Business Process Outsourcing ("**BPO**") sector which caters largely to US and European customers. It is important to note that while the US and Europe remain to be the largest client-base contributors to the country's information technology and business process management (IT-BPM) sector, the industry is currently moving to high value and high potential markets in Australia, New Zealand and other neighboring countries in the region. Other than voice-based offshore services, the IT-BPM industry is also gearing towards high-value knowledge-based services including financial, legal, medical, architectural and animation sectors.

The BPO industry, organized under the IT-Business Process Association of the Philippines (IBPAP), comprises primarily of contact centers, back-office operations and medical transcription, among others. The BPO industry has experienced phenomenal growth since the mid-2000. In 2008-2009, however, demand for BPO office space dropped because of the global recession which led to a glut in office space and a reduction in rental rates. The industry saw a recovery in 2010 as BPO offices resumed their expansion plans which brought an upward adjustment in rental rates. The continued growth of this industry as well as its prospects for the next five to ten years in Metro Manila, Cebu and other emerging cities across the Philippines have become the major drivers of growth in the office sector of the property industry. The absorption rate of newly built office buildings in major central business districts and key cities is benefited by the continued requirements of these BPO companies.

Overall, the industry and, necessarily, ALCO and its subsidiaries contend with risks relating to volatility in overseas remittances, interest rates, credit availability, foreign exchange, political developments, costs and supply of construction materials, wages, changes in national and local laws and regulations governing Philippine real estate and investments. ALCO and its subsidiaries are sensitive to (i) the political and security situations of the country since their sales come from both foreign and local investors, and (ii) the performance of overseas remittances and the BPO sectors as these inflows find their way into investments in housing and other real estates as well as the general economy.

To mitigate risks associated with the cyclicality of property development, ALCO employs the following broad strategies:

The Company's development portfolio was carefully assembled to achieve a diversified, well-balanced portfolio of projects that yield a target portfolio return on a risk-adjusted basis. Diversification is monitored to minimize risk concentration on any one product type, geographic location and target market segment. As a result, the Company is more resilient to changes in macroeconomic fundamentals because specific real estate sub-sectors will respond differently to these changes. For instance, the Company notes that the effect of work from home requirements issued by the Fiscal Incentives Review Board and/or Philippine Economic Zone Authority ("**PEZA**") did not have a significant impact on ALCO's business because of its diversified sources of revenues.

ALCO's commitment to sustainability provides a clear point of differentiation, resulting in a very strong brand equity which helps sustain demand for its products even in periods within an economic cycle where there may be a glut in supply. For instance, new lease contracts were executed for its investment property in Cebu Exchange despite the recent elevated vacancy in Cebu because of Cebu Exchange's superior sustainability features and quality.

The Company adheres to prudent financial management strategies even in periods of strong economic growth to survive downward economic turns. Even with the capital-intensive nature of real estate projects, the Company sets the capital structure for its projects to ensure that there is no over-reliance on debt to fund its growth. As a result, the Company's leverage ratios are well within its internal guidance cap and financial covenants.

The premium nature of the Company's development portfolio attracts high quality of buyers as well as established multinationals as tenants. ALCO has a very rigid credit approval system to ensure that its buyers are financially capable of meeting their payment schedules.

The Company regularly monitors the economic performance of the country and global players through internal research and discussions with its property consultants to be able to timely adjust policies on pricing, payment schemes and timing of new project launches.

Possible change in accounting principle for real estate may change the Company's revenue recognition for sale of its real estate developments, which in turn may adversely affect recognition of unrestricted retained earnings

Future changes in the PFRS accounting standards, mainly those related to revenue recognition, may adversely affect the Company's net income and may impact the availability of unrestricted retained earnings.

PFRS 15, Revenue from Contracts with Customers, replaced PAS 11, Construction Contracts, PAS 18, Revenue, and related interpretations. It establishes a single comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance. Further, the amendments provide clarifications on the following topics: (a) identifying performance obligations; (b) principal versus agent considerations; and (c) licensing. The amendments also provide some transition relief for modified contracts and completed contracts.

On February 14, 2018, the Philippine Interpretation Committee ("**PIC**") issued PIC Q&A 2018-12: PFRS 15 – Implementation Issues Affecting the Real Estate Industry, which provides guidance on some implementation issues affecting the real estate industry due to changes brought by the adoption of PFRS 15. Among the key areas discussed in this issuance are the accounting for significant financing component arising from the difference between the percentage of completion ("**POC**") of the project and the percentage of collections, and the exclusion of the following costs as input in determining the POC:

a. Land element
b. Connection fees
c. Borrowing cost
d. Materials delivered on-site but not yet installed

Further on October 25, 2018 and February 8, 2019, the SEC issued SEC Memorandum Circular No. 14 Series of 2018 and SEC Memorandum Circular No. 3 Series of 2019, respectively, providing relief to the real estate industry by deferring the application of the provisions of PIC Q&A 2018-12 with respect to the exclusion of land element and uninstalled materials on-site in the POC computation and the accounting for significant financing component. Accordingly, effective January 1, 2018, borrowing costs and connection fees are excluded in determining POC.

On December 19, 2020, the SEC issued SEC Memorandum Circular No. 34 s. 2020 which provides relief to the real estate industry by deferring the application of the provisions of the PIC Q & A No. 2018-12 with respect to the accounting for significant financing component and the exclusion of land in the calculation of POC and IFRIC agenda decision on overtime transfer of constructed goods under PAS 23 – borrowing cost with respect to the accounting of capitalized borrowing cost, for another period of three (3) years or until 2023. Effective January 1, 2024, real estate companies will adopt PIC Q & A 2018-12, IFRIC agenda decision on overtime transfer of constructed goods and any subsequent amendments thereof retrospectively or as the SEC will later prescribe.

The Company adopted PFRS 15 using the retrospective approach but deferred the application of the provisions of PIC Q&A No. 2018-12 to January 1, 2024.

Following this, the adoption of the foregoing amendments to PFRS and PIC issuances as of the beginning of 2024 is not expected to have a material effect on the consolidated financial statements of the group for the year given that its budgets for current projects as well as business plans for new projects were already prepared assuming the application of the new accounting policies from 2023. Measures have been taken to ensure that the Company is able to comply with its obligations and meet its financial covenants with the implementation of the new accounting policies.

Further, the Company will continue to engage in discussions and consultations with relevant groups to monitor further potential changes to accounting standards to assess possible impact of these on its financial results. In the event of the release of new accounting standards, the Company will conduct a thorough review of its contracts with customers to determine proper application of such and reasonably plan to safeguard the interests of the prospective holders of the Preferred Shares.

The Company's and its subsidiaries' loan agreements are subject to certain debt covenants

The Company's loan agreements for certain debts contain covenants that limit its ability to, among other things:

- incur additional long-term debt to the extent that such additional indebtedness results in a breach of financial covenants;
- declare dividends without the consent of the lending institutions;
- materially change the nature of its business;
- merge, consolidate, or dispose of substantially all its assets; and
- encumber, mortgage or pledge some of its assets.

Complying with these covenants may cause the Company to take actions that it otherwise would not take or not take actions that it otherwise would take. ALCO's failure to comply with these covenants would cause a default, which, if not waived, could result in the debts becoming immediately due and payable.

ALCO has historically taken a prudent stance in managing its debt obligations by ensuring that any corporate act, whether or not performed in the ordinary course of business, does not violate any existing debt covenant. If any significant corporate act or business transaction is seen to potentially affect its debt covenants that would lead to accelerating the payment of existing debt, ALCO shall endeavor to obtain the necessary waivers in accordance with relevant debt agreements.

The Company is required to maintain a debt-to-equity ratio of not more than 2.0x and current ratio of not less than 1.5x on a consolidated basis. For the periods ended December 31, 2021, December 31, 2022, December 31, 2023 and June 30, 2024, the Company was fully compliant with these debt covenants.

In calculating its debt-to-equity ratio to test for compliance with its debt covenants, the Company includes the following obligations to determine total debt: (1) bonds payable and loans payable from third party lenders, (2) amount payable for the purchase of interests in a subsidiary and (3) advances from non-controlling interest who are shareholders in the Company's subsidiaries. Please see below the calculation for the years ended December 31, 2021, December 31, 2022 and December 31, 2023, and the six-month period ended June 30, 2024.

Amounts in million Pesos	**Six Months Ending June 2024**	**FY December 2023**	**FY December 2022**	**FY December 2021**
A. Debt to Equity Ratio				
1. Bonds payable and loans from third party lenders	**19,512**	**17,128**	**17,690**	**16,403**
Bonds payable	5,947	5,942	5,926	2,967
Loans payable	13,565	11,187	11,764	13,437
2. Amount payable for purchase of interest in a subsidiary	**0**	**0**	**0**	**762**
3. Advances from non-controlling interest	**1,010**	**1,102**	**1,102**	**1,102**

Total Debt	**20,522**	**18,230**	**18,792**	**18,255**
Total Equity	**11,635**	**13,116**	**12,060**	**11,052**
Debt to Equity Ratio for loan covenants	**1.76x**	**1.39x**	**1.56x**	**1.65x**
B. Current Ratio				
Current Assets	24,657	23,621	24,560	24,984
Current Liabilities	15,121	10,168	10,078	13,800
Current Ratio	**1.63x**	**2.32x**	**2.44x**	**1.81x**

For the periods ended December 31, 2021, December 31, 2022, December 31, 2023 and June 30, 2024, the Company was fully compliant with these debt covenants based on the above calculations.

In addition to monitoring for compliance with its financial covenants under its loan agreements, the Company strives to keep its debt-to-equity ratio to within its internal guidance cap of 1.50x at the consolidated level (refer to the section “ALCO’s Competitive Strengths” under the heading “Prudent Financial Management”). In calculating its debt-to-equity ratio for internal guidance cap, the Company includes only bonds payable and loans payable from third party lenders in determining total debt and includes advances from non-controlling interests as part of equity. Please see below the calculation of the Company’s debt-to-equity ratio for testing compliance with its internal guidance cap for the years ended December 31, 2021, December 31, 2022, and December 31, 2023 and the period ended June 30, 2024:

Amounts in million Pesos	**Six Months Ending June 2024**	**FY December 2023**	**FY December 2022**	**FY December 2021**
Debt (Bonds payable and loans from third party lenders)	**19,512**	**17,128**	**17,690**	**16,403**
Debt (Bonds payable and loans from third party lenders) – *Excluding the ₱1 billion short-term loan with BDO Unibank, Inc., the proceeds of which were used to redeem the Series C Preferred Shares*	**18,512**	**17,128**	**17,690**	**16,403**
Total Equity	**12,645**	**14,218**	**13,162**	**12,154**
Debt-to-Equity for internal guidance cap – *Before adjustment for ₱1 billion short-term loan*	**1.54x**	**1.20x**	**1.34x**	**1.35x**
Debt-to-Equity for internal guidance cap - *After adjustment for ₱1 billion short-term loan*	**1.46x**	**1.20x**	**1.34x**	**1.35x**

Based on the above calculation, the Company’s debt-to-equity ratio was within its internal guidance cap of 1.50x for the periods ended December 31, 2021, December 31, 2022, and December 31, 2023. For the period ended June 30, 2024, the Company fully drew on a ₱1 billion short-term loan facility with BDO Unibank, Inc. to redeem the Series C Preferred Shares with an undertaking to repay such loan within 5 days from the issuance of the Series F Preferred Share or on December 13, 2024, whichever is earlier. This loan resulted in temporarily increasing the debt-to-equity ratio for internal guidance cap of 1.54x. The ₱1 billion short-term loan with BDO Unibank was approved by the Board of Directors of the Company given its temporary nature and given that this will be repaid using proceeds from the issuance of the Series F Preferred Shares as discussed under the section on “Use of Proceeds” below. After adjusting for the ₱1 billion short-term loan with BDO Unibank, debt-to-equity as of June 30, 2024 is 1.46x which is compliant with the internal guidance cap.

No assurance that insurance rates and coverage will remain the same, and the available coverage may not be adequate in the future

The Company maintains comprehensive property and liability insurance policies with coverage features and insured limits that it believes are consistent with market practices in the real estate development industry in the Philippines. Nonetheless, the scope of insurance coverage that the Company can obtain or the Company's ability to obtain such coverage at reasonable rates may be limited.

Insurance policies and terms of coverage will be subject to renewals and negotiations on a periodic basis and there is no assurance that adequate insurance coverage will be available on commercially reasonable terms in the future. Any material increase in insurance rates, decrease in available coverage or any failure to maintain adequate insurance in the future could adversely affect the business, financial condition and results of operations.

To mitigate this risk, the Company regularly monitors the sufficiency of insurance coverage from its various insurance contracts and cultivates a healthy business relationship with various insurance companies.

The Company or its contractors may be subject to labor unrest, slowdowns, and increased costs

The Company has not experienced labor unrest in the past that resulted in the disruption of its operations. However, there can be no assurance that there will be no labor claims or that it or its contractors will not experience future disruptions in its operations due to labor disputes in the future. In addition, any changes in labor laws and regulations may result in the Company having to incur substantial additional costs.

To mitigate the risk, the Company strictly complies with labor laws, adopts policies to ensure a healthy working environment for its employees and engages contractors that practice the same. Further, substantially all its construction contracts are on fixed terms, thereby further reducing this risk.

The Company is dependent on key suppliers and service providers to successfully implement its plans

The Company is dependent on certain key suppliers and service providers for substantial components of the Company's real estate developments. The Company relies on certain architecture and design firms as well as contractors for the execution of its plans.

The Company mitigates this risk primarily through its stringent screening process in relation to counterparty selection. When necessary, the Company also requires its suppliers and service providers to provide performance security including surety bond, advance payment bond, performance bond and guarantee bond which sufficiently allow ALCO to manage this risk.

The Company is dependent on its management team and key employees to successfully implement its strategies

The loss of key and management personnel may have a material adverse impact to the Company and its business plans. There is no guarantee that existing personnel will continue to serve in their current capacities.

The Company, however, is confident in its ability to attract and retain key personnel by continuing to provide competitive compensation as well as promoting a sustainable culture for its team. The Company likewise has a strong top and middle management bench which ensures a continuous stream of talent.

The Company may be unable to attract and retain skilled professionals

The Company's ability to plan, design and execute current and future projects depends on its ability to attract, train, motivate and retain highly skilled personnel. The Company believes that there is significant demand for such personnel not only from its competitors but also from companies outside the Philippines.

Any inability on the part of Company in hiring and, more importantly, retaining qualified personnel could impair its ability to undertake project design, planning and execution activities in-house and could require the Company to incur additional costs by having to engage third parties to perform these activities.

To mitigate the risk, the Company regularly reviews its hiring policies to ensure that it remains competitive against other employers in terms of being able to attract and retain top talent.

ALCO may be exposed to cybersecurity incidents and information security risks

ALCO, independently and through third-party service providers, collects, processes, uses, transmits and stores on its networks, devices and equipment sensitive information, including intellectual property, proprietary business information and personally identifiable information of ALCO's customers, employees, suppliers, contractors and service providers.

As cybersecurity vulnerabilities and threats continue to evolve, ALCO may be required to allocate significant additional resources to continue to enhance its security measures or to investigate and remediate any cybersecurity vulnerabilities. The occurrence of any of these events may result in (i) business interruptions and delays; (ii) the loss, misappropriation, corruption or unauthorized access of data; (iii) litigation and potential liability under privacy, security, breach notification and consumer protection or other laws; (iv) reputational damage and (v) governmental inquiries or investigations, any of which may have a material, adverse effect on ALCO's financial position and results of operations and harm ALCO's business reputation.

ALCO has implemented security measures to protect the confidentiality, integrity and availability of sensitive information and the systems that store or transmit such data, and routinely monitors and tests its security measures. ALCO has appointed a Data Privacy Officer who is accountable for ensuring the compliance by ALCO and its subsidiaries with the provisions of the Data Privacy Act and its implementing rules and regulations, as well as the issuances of the National Privacy Commission, and other applicable laws and regulations relating to privacy and data protection. ALCO has also conducted privacy impact assessments and has data privacy policies in place to ensure that security risks are managed and that breaches will be adequately addressed. ALCO also ensures that appropriate data privacy provisions are included in its contracts with customers, suppliers and service providers.

ALCO enters into transactions with its related parties and needs to be fully compliant with regulations on related party transaction disclosures.

In the regular conduct of business, ALCO and its wholly owned subsidiaries enter into intercompany transactions, primarily advances necessary to carry out their respective functions subject to liquidation and reimbursements for expenses. ALCO ensures that while these transactions are made substantially on the same terms as with other individuals and businesses of comparable risks, they are fair and treated at arm's length.

ALCO also ensures compliance with BIR Revenue Regulations No. 19-2020 and BIR Revenue Regulation No. 34-2020 on related party transaction disclosures. To comply with the above BIR regulations and documentation, the Company has engaged Reyes Tacandong & Co. ("RTC") to assist in reviewing the intercompany transactions pursuant to the above regulations. The Company, likewise, submits BIR Form No. 1709 together with the Annual Income Tax Return on an annual basis.

ALCO is subject to foreign ownership limitations and needs to be fully compliant with these limitations when arranging the required funding sources.

As of the date of this Prospectus, ALCO owns land and is therefore required by the Philippine Constitution and related statutes to be a Philippine national by limiting foreign ownership in the Company to a maximum of 40% of its outstanding capital stock.

Pursuant to Philippine SEC Memorandum Circular No. 8, Series of 2013, for purposes of determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both: (i) the total number of outstanding shares of stock entitled to vote in the election of directors; and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

Therefore, to the extent that foreign investors' ability to invest in ALCO and its landholding subsidiaries is limited, ALCO and its subsidiaries must resort to other sources of capital raising and must structure their partnerships and joint ventures with foreign nationals in a manner that ensures that foreign ownership limitation is not breached.

ALCO is aware of this foreign ownership restriction and is actively monitoring its partnerships and shareholding structure to ensure that foreign participation is within the constitutional limits. ALCO maintains competent internal and external legal counsel to ensure that its transactions with foreign nationals are properly structured in order not to breach this foreign ownership limitation.

ALCO is reliant on technology in certain business operations and uses technology to differentiate its developments from those of its competitors.

While ALCO aims to keep abreast of the latest technological developments related to property development, there are no significant barriers that prevent its competitors from adopting a similar technology for their own developments and projects. ALCO may also fail to implement any new technology in a timely manner or at all, putting it at a disadvantage to its competitors.

To mitigate this risk, ALCO ensures that it utilizes the latest enabling technologies as added features to its residential and commercial projects. As an example, Lucima and Una Apartments are equipped with Energy Recovery Ventilator that improves indoor air quality by bringing in fresh, filtered air for its residents as well as controlling the humidity for thermal comfort.

ALCO is subject to risk on substantial sale cancellations

The Company faces certain risks related to the cancellation of sales involving its real estate projects and if the Company were to experience a material number of sales cancellations, the Company's reported revenues may be overstated.

As a developer and seller of real estate, the Company's business, financial condition and results of operations could be adversely affected in the event a material number of sales contracts for subdivision lots and condominium units are cancelled.

The Company is subject to R.A. 6552 (the "Maceda Law"), which applies to all transactions or contracts involving the sale or financing of real estate through installment payments for residential units (but excluding industrial and commercial lots). Under the Maceda Law, buyers who have paid at least two years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. This right shall be exercised by the buyer only once in each year of the life of the contract and its extensions, if any. 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 installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments and who default on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without right of refund.

While the Company historically has not experienced a material number of cancellations to which the Maceda Law has applied, there can be no assurance that it will not experience a material number of cancellations in the future, particularly during slowdowns or downturns in the Philippine economy, periods when interest rates are high or similar situations. In the event the Company does experience a material number of cancellations, it may not have enough funds on hand to pay the necessary cash refunds to buyers or it may have to incur additional indebtedness to pay such cash refunds. In addition, particularly during an economic slowdown or downturn, there can be no assurance that the Company would be able to resell the same property or resell it at an acceptable price. Any of the foregoing events may have a material adverse effect on the Company's business, financial condition and results of operations.

In the event the Company experiences a material number of sales cancellations, investors are cautioned that the Company's historical revenues would have been overstated because such historical revenues would not have accurately reflected subsequent customer defaults or sales cancellations. Investors are also cautioned not to rely on the Company's historical income statements as indicators of the Company's future revenues or profits.

There can be no assurance that the Company will not suffer from substantial sales cancellations and that such cancellations will not have a material adverse effect on its financial condition and results of operations. Receivable balances are monitored by the Company on a regular basis.

The Company mitigates this risk by ensuring that it conducts proper procedures to obtain necessary information from prospective buyers to have reasonable assurance of their ability to pay for or obtain financing for their units to minimize payment default as a reason for sales cancellation. The Company likewise maintains a healthy client list to aid in selling any previously cancelled units to other buyers.

Below is a summary of sale cancellations before, during and after the COVID-19 pandemic:

	Sales Cancellations	
	Value (in ₱ Millions)	Percentage (%)
Pre-COVID-19 Pandemic (as of December 31, 2019)	534	5.1%
During COVID-19 Pandemic (as of December 31, 2021)	929	5.5%
After COVID-19 Pandemic:		
As of December 31, 2022	543	2.9%
As of December 31, 2023	1,248	4.8%
As of August 31, 2024	2,245	7.0%

Cancellations during the COVID-19 pandemic as of December 31, 2021 amounted to ₱929 million, representing approximately 5.5% of the value of total reservation sales. The Company notes that this tracks the pre-pandemic cancellation rate as of December 31, 2019 which amounted to about ₱534 million, representing approximately 5.1% of the value reservation sales contracts. Cancellations amounted to ₱543 million as of December 31, 2022 and ₱1.248 million as of December 31, 2023 representing approximately 2.9% and 4.8% of the value of total reservation sales for these periods, respectively, which were improvements from pre-pandemic sales cancellation rate. As of August 31, 2024, cancellations amounted to ₱2,245 million which represents 7.0% of total reservation sales. Although the cancellation rate as of August 2024 is slightly higher than pre-pandemic rates, the Company expects this to reverse within the year following the anticipated resale of these units.

Changes in tax policies affecting tax exemptions and tax incentives could adversely affect the Company's results of operations.

The Company is registered with the PEZA as an Ecozone Facilities Enterprise at the E-Square Information Technology Park where ACPT is located and for Cebu Exchange, and benefits from certain incentives, including, among others, 5% preferential tax on gross income earned, in lieu of all national and local taxes ("**GIT**") and exemption from expanded withholding tax, and is eligible for VAT zero-rating of its transactions with its local suppliers of goods, properties and services related to its provision of services to PEZA-registered enterprises located within its facility. Availment of these incentives is subject to evaluation and requirements prescribed under the PEZA rules and regulations.

On March 26, 2021, Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprise Act ("**CREATE Law**") was enacted into law and became effective on April 11, 2021. The CREATE Law aims to help businesses recover and attract more investors by immediately lowering corporate income taxes and modifying the sunset period for the fiscal incentives of corporations such as income tax holidays, special rates and custom duty exemptions. In view of the effectivity of the CREATE Law, the Company is now subject to regular corporate income tax of 25% beginning July 1, 2020. The imposition of the minimum corporate income tax ("**MCIT**") was reduced from 2% to 1% from July 1, 2020 to June 30, 2023. The MCIT reverted to 2% last July 1, 2023. The fiscal incentives that investment promotion agencies may grant to registered business enterprises have also been amended.

Further, under the CREATE Law, the Government will no longer grant perpetual fiscal incentives such as the 5% GIT. Registered business enterprises whose projects or activities were granted only an income tax holiday ("**ITH**") prior to the effectivity of the CREATE Law are given a transitory period and may continue to avail themselves of the ITH for the remaining period after CREATE Law takes effect, while those currently availing of the 5% GIT prior to the effectivity of the CREATE Law are allowed to continue availing themselves of the said tax incentive for ten (10) years from the effective date of CREATE Law. Existing activities may avail of the incentives under CREATE Law, provided that the activities are included in the Strategic Investment Priority Plan ("**SIPP**"), and subject to the criteria and conditions in the SIPP.

The SIPP will be formulated upon effectivity of CREATE Law by the Board of Investments, in coordination with the Fiscal Incentives Review Board, Investment Promotion Agencies (as defined under the CREATE Law, which includes PEZA), other government agencies administering tax incentives, and the private sector. The SIPP will be submitted to the President for approval and is subject to revision every three years. Pursuant to the Implementing Rules and Regulations of Title XIII of the Tax Code, as amended by the CREATE Law, which became effective on June 26, 2021 immediately upon its publication in a newspaper of general circulation, the 2020 Investment Priorities Plan promulgated under Memorandum Order No. 50 dated November 18, 2020 will serve as the SIPP until a new one is approved by the President. On May 24, 2022, the President signed Memorandum Order No. 61 which approved the 2022 SIPP. The 2022 SIPP became effective on June 11, 2022, after the 15th day of its publication in a newspaper of general circulation.

Under the CREATE Law, ACPT and Cebu Exchange may no longer have an advantage over other buildings that are not PEZA-registered beyond the period provided within which the benefit from the 5% GIT may still be enjoyed. However, this risk is mitigated by the superior design and unmatched sustainable features of ACPT and Cebu Exchange that allow their tenants to enjoy savings in operating costs. These will allow ACPT and Cebu Exchange to maintain their competitive advantage over other buildings despite the implementation of the CREATE Law.

On September 9, 2019, the House of Representatives of the Philippines approved on third and final reading House Bill No. 304, or the Passive Income and Financial Intermediary Taxation Act ("**PIFITA**"), to simplify the tax rates on financial transactions. The PIFITA bill provides for, among others, a reduction in the tax rates on interest income from yield or any other monetary benefit earned or received from bank deposits, deposit substitutes, trust fund and similar arrangements from the current 20% to 15%, and an increase in the tax rate on cash and/or property dividends from the current 10% to 15%. In addition, the PIFITA bill provides for the rationalization of documentary stamp taxes. In the event the PIFITA bill is enacted, there may be additional costs that may be passed on to the Company. To date, the PIFITA bill remains pending with Congress.

The Company may be involved in legal and other proceedings arising out of its operations from time to time.

The Company may, from time to time, be involved in disputes involving the construction and operation of its properties such as, but not limited to, contractual disputes with contractors, suppliers, and clients, or disputes involving property damage or personal liability claims. If these disputes occur, it may result in delays in the Company's project development schedule, incurring substantial costs, and the diversion of Company resources and management's attention. In the course of its operations, the Company may also have disagreements with regulatory bodies, or local government units responsible for issuing the necessary permits or licenses for the Company's business, which may subject it to administrative proceedings and unfavorable decisions or result in fines or penalties and/or delay its projects. Should any of these occur, the Company's business, financial condition, results of operations and cash flows could be materially and adversely affected.

As a way to mitigate the risk, the Company strives to maintain good relationships with customers, suppliers, contractors, regulators, and other parties it regularly deals with. The Company also endeavors to amicably settle legal proceedings, resort to alternative methods of dispute resolution, and exhaust all legal remedies available.

There is a possibility that the Company's directors and officers may be involved in legal and other proceedings that may adversely affect the Company's operations, reputation, and/or financial standing.

To mitigate this risk, the Company has established the Manual of Corporate Governance which provides, among others, that a director's office is one of trust and confidence. The Nomination Committee vets the qualifications of each Director to ensure that ALCO directors shall at all times act in a manner characterized by transparency, accountability and fairness.

The Company which is also engaged in real estate development is indirectly controlled by the Po Family.

Mr. Ted Po and Mr. Leo Po of the Po family currently sit as the Chairman and the President of Pacifica Homes Development Corporation (PHDC), respectively. PHDC is a real estate developer of premium affordable houses with mid-market features selling at low-cost housing prices. To note, Mr. Ted Po and Mr. Leo Po are not members of the Board of Directors of Arthaland.

PHDC's project, Hamana Homes, is a 15-hectare residential development located in Magalang-Mabalacat, Pampanga. Hamana Homes does not conflict with any of the Arthaland's projects. Arthaland focuses on key urban CBDs in Metro Manila, such as Makati and BGC, and high-growth areas outside Metro Manila, such as Cebu and Binan, Laguna while PHDC's Hamana Homes is located in the emerging community of Pampanga. Further, Arthaland primarily caters to the upscale and luxury market and the broader mid-market segments, while PHDC's pricing strategy is geared towards low-cost housing segment.

RISKS RELATING TO THE PHILIPPINES

Company is exposed to risk related to the slowdown in the Philippine economy

All of the Company's business operations and assets are based in the Philippines. As a result, the Company's income, results of operations and the quality and growth of its assets depend, to a large extent, on the performance of the Philippine economy.

The Philippines is currently experiencing the effects of increased mobility due to the progressive lifting of restrictions following strict lockdown measures that were implemented at the height of the COVID-19 pandemic. In May 2023, the World Health Organization declared that COVID-19 was no longer a global health emergency. Subsequently, in July 2023, Presidential Proclamation No. 297 was issued and lifted the State of Public Health Emergency that had prevailed over the Philippines. The country's gross domestic product ("**GDP**") registered growth of 5.6% for the full year 2023, reflecting a slowdown from the 7.6% growth registered for the full year 2022. Notably, the Philippines' GDP growth for 2023 outpaced the growth registered by other countries in Asia, including those of China and Malaysia which grew at 5.2% and 3.4% respectively, but fell short of the target of the current administration's economic team of achieving GDP growth of 6% to 7% for 2023. The Philippines' GDP growth was tempered by continued general tightening of monetary policy of the BSP which needed to raise policy rates to manage inflation that continued to be elevated for 2023. In the Philippines, domestic headline inflation averaged at 6% throughout 2023 but was notably on a downward trend towards year-end. By December 2023, headline inflation registered at 3.9% and continued to go down to 3.4% by February 2024, both of which are within the BSP's target range of 2% to 4%. Given this, the current Finance Secretary Ralph Recto has indicated a potential easing of policy rates subject to an assessment of the potential impact of El Nino on food prices due to an expected slowdown in agricultural production.

Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, Southeast Asia or globally;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, Southeast Asia or globally;
- exchange rate fluctuations and foreign exchange controls;
- rising inflation or increases in interest rates;
- levels of employment, consumer confidence and income;
- changes in the Government's fiscal and regulatory policies and regulations, including tax laws and regulations that impact or may impact inflation and consumer demand;
- Government budget deficits;
- adverse trends in the current accounts and balance of payments of the Philippine economy;
- public health epidemics or outbreaks of diseases, such as COVID-19, monkeypox, re-emergence of Middle East Respiratory Syndrome- Corona virus (MERS-CoV), SARS, avian influenza (commonly known as bird flu), or H1N1, or the emergence of another similar disease (such as Zika) in the Philippines or in other countries in Southeast Asia;
- natural disasters, including but not limited to tsunamis, typhoons, earthquakes, fires, floods and similar events;
- political instability, terrorism or military conflict in the Philippines, in other countries in the region or globally; and
- other regulatory, social, political or economic developments in or affecting the Philippines.

Uncertainty surrounding the global economic outlook may cause economic conditions in the Philippines to deteriorate and there can be no assurance that current or future Government policies will continue to be conducive to sustaining economic growth. There can be no assurance that the Philippines will maintain strong economic fundamentals in the future. Any future deterioration in economic conditions in the Philippines may materially and adversely affect the Company's financial position and results of operations, including the Company's ability to implement its business strategies. Changes in the conditions of the Philippine economy may materially and adversely affect the Company's business, financial condition or results of operations.

To mitigate the abovementioned risks, the Company shall continue to adopt conservative or prudent financial and operational controls and policies within the context of the prevailing business and economic environment, taking into consideration the interests of its customers, stakeholders, and creditors.

Political instability may have a negative effect on the business, financial position or results of operations of the Company.

The Philippines has from time to time experienced political and military instability, including acts of political violence. In the last two decades, there has been political instability in the Philippines, including extra-judicial killings, alleged electoral fraud, impeachment proceedings against two former presidents, two chief justices of the Supreme Court of the Philippines, and public and military protests arising from alleged misconduct by previous administrations. In addition, some officials of the Philippine government are currently under investigation or have been indicted on corruption charges stemming from allegations of misuse of public funds, extortion, bribery, or usurpation of authority. There can be no assurance that acts of political violence will not occur in the future and any such events may negatively impact the Philippine economy.

No assurance can be given that the future political or social environment in the Philippines will be stable or that current and future governments will adopt economic policies conducive for sustaining economic growth. An unstable political or social environment, whether due to the imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting, could negatively affect the general economic conditions and operating environment in the Philippines, which could have a material adverse effect on the business, operations, and financial condition of the Company.

To mitigate this risk, the Company has always remained politically neutral. Throughout changes in political leadership in the Philippines, it has been business as usual for the Company because most, if not all of elected local or national leaders, are supportive of businesses in general and real estate developments as a means to spur economic growth, activate communities outside of Metro Manila and to provide housing for Filipinos.

Occurrence of natural catastrophes may adversely affect the business of the Company

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 related to El Niño and La Niña, respectively. For example, in November 2020, Typhoon Goni, locally known as Super Typhoon Rolly, brought severe flash floods and displaced thousands in the areas affected. In January 2020, the Taal Volcano erupted. In July 2022, a 7.0-magnitude earthquake occurred in Tayum, Abra and in December 2023, a 7.6-magnitude earthquake shook Mindanao resulting in deaths, injuries and damage to public infrastructure and private property. Natural catastrophes will continue to affect the Philippines and the Company may incur losses for such catastrophic events which could materially and adversely affect its business, financial condition and results of operations.

There is no assurance that the insurance coverage which the Company maintains for these risks will adequately compensate it for all damages and economic losses resulting from natural calamities. However, the Company mitigates this risk through the geographic diversity of its projects which are located in key urban areas in Metro Manila, Cebu City and Laguna. In addition, the Company's projects implement structural designs which are generally stricter than mandated standards. These measures help to mitigate the impact of a potential natural catastrophe in one location.

Occurrence of a Philippine credit rating downgrade may adversely affect the business of the Company

International credit rating agencies issue credit ratings for companies with reference to the country in which they are resident. As a result, the sovereign credit ratings of the Philippines directly affect companies that are residents in the Philippines, such as the Company. Historically the Philippines' sovereign debt has been rated relatively low by international credit rating agencies. In January 2023, Moody's affirmed the Philippines' Baa2 rating with stable outlook, S&P maintained its BBB+ long-term credit rating for the Philippines with a stable outlook, and Fitch maintained its long-term foreign-currency issuer default rating at BBB. However, no assurance can be given that Fitch, Moody's, S&P Global Ratings or any other international credit rating agency, will not downgrade the credit ratings of the Government in the future and, therefore, of Philippine companies, including the Company. Any such downgrade may have a material adverse effect on liquidity in the Philippine financial markets and the ability of the Philippine government and Philippine companies, including the Company, to raise additional financing, and will increase borrowing and other costs.

To mitigate the abovementioned risks, the Company shall continue to adopt conservative or prudent financial and operational controls and policies within the context of the prevailing business and economic environment, taking into consideration the interests of its customers, stakeholders, and creditors.

The prospects of the Company may be influenced by major political and economic developments both locally and abroad.

Territorial disputes concerning the Philippines and China's claims over the West Philippine Sea ("WPS") received renewed international interest in 2024 in the wake of reports citing that former President Rodrigo Duterte allegedly entered into a "gentleman's agreement" with Chinese President Xi JinPing, effectively ceding the country's claims over such economic zone's natural aquatic, oil, and gas resources. Incumbent President Ferdinand Marcos, Jr., on the other hand, was reportedly "horrified" that the Philippine government compromised the territory and sovereignty of Filipinos. At present, US and Philippines armed forces have begun joint military exercises in Laoag, Ilocos Norte, in a show of military force and strengthening ties, as regional tensions rise. US officials, including US President Joe Biden, have affirmed their "ironclad" commitment to defend the Philippines against any armed attack pursuant to the US-Philippines 1951 Mutual Defense Treaty.

Any political or economic developments of a local to a global scale could impact prices in general and disrupt supply chains, which could in turn increase the Company's costs for the construction of its future projects. Furthermore, any decrease in investor confidence and disruptions of the credit and equity markets, may impede or prevent access to the capital markets for additional funding to expand the Company's business and may affect the availability or cost of borrowing. While the Company also seeks to obtain funding from counterparty banks through credit facilities other than capital markets, if the Company is unable to obtain the required funding, the Company will have to adjust its business plans and strategies, which may adversely affect the Company's future prospects, market value and results of operations. Nevertheless, the Company continuously monitors such developments and will assess any direct and indirect impact that the foregoing events may have on its current and future business.

RISKS RELATING TO THE SERIES F PREFERRED SHARES

The Series F Preferred Shares may not be suitable investment for all investors

Each potential investor in the Series F Preferred Shares must determine the suitability of that investment, considering its own circumstances. Each potential investor should:

- Have sufficient knowledge and experience to make a meaningful evaluation of the Series F Preferred Shares, the merits and risks of investing in the offer and the information contained in this Prospectus;
- Have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Series F Preferred Shares and the impact such investment will have on its overall investment portfolio;
- Have sufficient financial resources and liquidity to bear all of the risks of an investment in the Series F Preferred Shares, including where the currency for principal or dividend payments is different from the currency of the potential investor;
- Understand thoroughly the terms of the Series F Preferred Shares and be familiar with the behavior of any relevant financial markets; and

- Be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

Payment of dividends is subject to funds being available for distribution

Dividends on the Series F Preferred Shares may not be paid or may pay less than full dividends, under the terms and conditions governing the Series F Preferred Shares. Holders of the Series F Preferred Shares will not receive dividends on a Dividend Payment Date or for any period during which the Company does not have unrestricted retained earnings out of which to pay dividends. The declaration and payment of cash dividends will be subject to the sole and absolute discretion of the BOD of the Company, to the extent permitted by applicable laws and regulations, the covenants (financial or otherwise) in the agreements to which the Company is a party, and in accordance with the terms of the Series F Preferred Shares. The BOD 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.

The Company mitigates this risk through the prudent management of resources as well as the timely execution of its business plans.

Volatility of market price of the Offer Shares

The market price of the Offer Shares may be affected by various factors, including:

- general market, political and economic conditions;
- changes in earnings estimates and recommendations by financial analysts;
- changes in market valuations of listed stocks, in general, and stocks of other conglomerates;
- changes in government policy, legislation or regulations, and
- general operational and business risks.

In addition, many of the risks described within this section could materially and adversely affect the market price of the Offer Shares.

Subordination to other indebtedness

The rights and claims of holders of the Series F Preferred Shares will (subject to the extent permitted by law) rank senior to the holders of the Common Shares of the Company, however the obligations of the Company under the Series F Preferred Shares are unsecured and are subordinated obligations to all other indebtedness of the Company. In the event of the winding-up of the Company, the Series F Preferred Shares rank junior in right of payment to all indebtedness of the Company and junior in right of payment to securities of, or claims against, the Company which rank or are expressed to rank senior to the Series F Preferred Shares. There is risk that an investor in the Series F Preferred Shares will not receive any return of the principal amount or any unpaid amounts due under the terms of the Offer unless the Company can satisfy in full all of its other obligations ranking senior to the Series F Preferred Shares.

Risk of Insufficient Distributions upon Liquidation

In the event of liquidation, the Preferred Shares rank ahead of the Common Shares, but subordinated against the Company's other indebtedness. Upon any voluntary or involuntary dissolution, liquidation or winding up of ALCO, holders of the Series F Preferred Shares will be entitled only to the available assets of the Company remaining after its other indebtedness is satisfied. If any such assets are insufficient to pay the full amount due to the holders of the Series F Preferred Shares, then holders of Series F Preferred Shares shall share ratably, together with holders of other shares which rank equally in any such distribution of assets in proportion to the full distributions to which they would otherwise be respectively entitled.

Inability to reinvest at a similar return on investment upon redemption

On the Optional Redemption Date or at any time redemption occurs, the Company may redeem the Preferred Shares at the Redemption Price, as described in ''Terms of the Offer" of this Prospectus. At the time of redemption, interest rates may be lower than at the time of the issuance of the Preferred Shares and, consequently, the holders of the Preferred Shares may not be able to reinvest the proceeds at a comparable interest rate or purchase securities otherwise comparable to the Preferred Shares.

The Series F Preferred Shares have no voting rights

Holders of Preferred Shares will not be entitled to elect the BOD of the Company. Except as specifically set forth in the Amended Articles of Incorporation and as provided by Philippine law, holders of Preferred Shares will have no voting rights (see ''Description of the Securities'').

Redemption at the option of the Issuer

The Series F Preferred Shares have no fixed final maturity date. Holders have no right to require the Company to redeem the Series F Preferred Shares at any time and they can only be disposed of by sale in the secondary market. Holders who wish to sell their Series F Preferred Shares may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Series F Preferred Shares. Therefore, holders of the Series F Preferred Shares should be aware that they may be required to bear the financial risks of an investment in the Series F Preferred Shares for an indefinite period of time.

Since the Redemption Price is equal to the relevant Offer Price of the Series F Preferred Shares plus any accrued and unpaid cash dividends due them on such Dividend Payment Date as well as all arrears of dividends outstanding, there is a risk that holders of the Series F Preferred Shares who may have purchased the same at a price higher than the Redemption Price may recognize a loss. Revenue Regulations No. 6-2008, as amended, discusses treatment of capital gain or loss treatment applied to the redemption of shares. Under said regulation, the tax consequences of the redemption will depend on the purpose of the issuer, to wit: (a) If the redemption of shares is for cancellation or retirement, the difference between the redemption price and the original cost of the preferred shares shall be treated as capital gain or capital loss, and shall be subject to the regular income tax rates imposed under the Tax Code or (b) If the redemption of shares is to be held in treasury, the stock transaction tax shall apply (if the shares are listed and transferred through the trading system and/or facilities of the PSE; otherwise, the transaction shall be subject to the 15% net capital gains tax. Redemption will be coursed through the facilities of the PSE, if, for any reason, the redemption is not done through the PSE, then the holder of the Preferred Shares will, in addition to the exposure to capital gains tax, be exposed to documentary stamp tax like any sale of shares done outside the PSE. Redemption of the Preferred Shares, if below listed price, may expose the holders of the Preferred Shares to the donor's tax. See "Taxation".

There is no guarantee that the Series F Preferred Shares will be listed

The Company shall file an application for the listing of the Series F Preferred Shares as they are issued on the PSE but cannot guarantee that the Series F Preferred Shares will be listed on its target listing date as indicated in this Prospectus.

The Series F Preferred Shares will be listed on the Main Board subject to the PSE's approval of the Company's listing applications. While the Company endeavors to comply with all the listing requirements of the PSE, there is no assurance of effective mitigation to such risk.

Absence of a liquid secondary market

The Philippine securities markets are substantially less liquid and more volatile than major securities markets in other jurisdictions and are not as highly regulated or supervised as some of these other markets. The Company cannot guarantee that the market for the Series F Preferred Shares will always be active or liquid upon their listing on the PSE.

In addition, the Company and the Sole Issue Manager, Lead Underwriter and Bookrunner's are not obligated to create a trading market for the Series F Preferred Shares and any such market making will be subject to the limits imposed by applicable law and may be interrupted or discontinued at any time without notice. Accordingly, the Company cannot predict whether an active or liquid trading market for the Series F Preferred Shares will develop or if such a market develops if it can be sustained. Consequently, a stockholder may be required to hold his Series F Preferred Shares for an indefinite period or sell them for an amount less than the Offer Price. The Company cannot provide assurance of effective mitigation to such systemic risk.

Capitalization

The following table sets forth the unaudited interim **consolidated debt and capitalization** of ALCO as of June 30, 2024. This table should be read in conjunction with the more detailed information and audited consolidated financial statements, including notes thereto, found in Appendix "A" of the Prospectus.

	As of June 30, 2024	As adjusted for a Base Issue Size of Php 2 Billion	As adjusted for a maximum Issue Size of Php 3 Billion
Accounts payable and other liabilities	4,102,112,502	4,102,112,502	4,102,112,502
Loans Payable	13,564,611,127	13,564,611,127	13,564,611,127
Bonds Payable	5,947,210,127	5,947,210,127	5,947,210,127
Contract Liabilities	384,568,426	384,568,426	384,568,426
Advances from non-controlling interests	1,010,119,597	1,010,119,597	1,010,119,597
Net retirement liability	5,667,694	5,667,694	5,667,694
Net deferred tax liabilities	2,014,185,681	2,014,185,681	2,014,185,681
Total Liabilities	**27,028,475,154**	**27,028,475,154**	**27,028,475,154**
Capital stock	1,007,257,136	1,011,257,136	1,013,257,136
Additional paid-in capital	5,973,360,513	7,946,654,500	8,937,266,079
Treasury stock – at cost	(3,000,000,000)	(3,000,000,000)	(3,000,000,000)
Parent Company's shares held by a subsidiary – at cost	(14,000,000)	(14,000,000)	(14,000,000)
Retained earnings	5,124,139,763	5,118,723,763	5,118,723,763
Other Equity Reserves	216,566,831	216,566,831	216,566,831
Non-controlling interests	2,327,286,924	2,327,286,924	2,327,286,924
Total Equity	**11,634,611,167**	**13,606,489,154**	**14,599,100,733**
Total Capitalization	**38,663,086,321**	**40,634,964,308**	**41,627,575,887**

Use of Proceeds

The Company estimates that, if the Oversubscription Option is fully exercised, the net proceeds from the Offer shall amount to approximately ₱2.96 billion and if the Oversubscription Option is not exercised, the net proceeds from the Offer shall amount to approximately ₱1.97 billion, in each case after fees, commissions and expenses. Estimated fees, commissions and expenses relating to the Offer are as follows:

In Php	**Firm Offer**	**Oversubscription Option**	**Total**
Estimated Gross Proceeds from the Offer	**Php2,000,000,000**	**Php1,000,000,000**	**Php3,000,000,000**
Underwriting Fees	8,947,368	4,473,684	13,421,053
Selling Fees	2,631,579	1,315,789	3,947,368
Documentary Stamp Taxes	40,000	20,000	60,000
Philippine SEC filing and legal research fees	1,325,625	-	1,325,625
PSE filing fees	3,416,000	-	3,416,000
Legal fees to Issuer's counsel (a)	2,613,636	-	2,613,636
Other professional fees (b)	7,147,804	1,578,947	8,726,751
Other expenses (c)	2,000,000	-	2,000,000
Total Estimated Expenses	28,122,013	7,388,421	35,510,434
Estimated net proceeds	**1,971,877,987**	**992,611,579**	**2,964,489,566**

(a) The item "Legal fees to Issuer's counsel" includes fees paid to SyCip Salazar Hernandez & Gatmaitan for its services as legal counsel of ALCO. None of the proceeds of the Offer will be paid as legal fees to the counsel of the Sole Issue Manager, Lead Underwriter and Bookrunner's.

(b) The item "Other professional fees" includes fees for the following services:

Other professional fees	**Paid to**	**Firm Offer**	**Oversubscription Option**	**Total**
Fee for issuance of comfort letter	Reyes Tacandong & Co.	2,240,000	-	2,240,000
Receiving Agency Fee and Stock Transfer Agency Fee	Stock Transfer Service, Inc.	784,000	-	784,000
Independent Legal Opinion	Berberabe, Santos & Quiñones Law	965,909	-	965,909
Issue management fee	BDO Capital	3,157,895	1,578,947	4,736,842
Total		7,147,804	1,578,947	8,726,751

(c) The item "Other Expenses" includes expenses for the printing of this Prospectus, roadshows and miscellaneous expenses.

Aside from the fees enumerated above, the Issuer will be paying the following estimated recurring fees related to the Preferred Shares:

1. The Issuer will pay an annual retainer fee to the Receiving Agent amounting to ₱360,000 (net of tax); and

2. After the Issue Date, a fee amounting to approximately ₱50,000 is payable every Dividend Payment Date to the Stock Transfer Agent.

Expenses incurred in connection with the offering of the securities, including documentary stamp tax, fees of the Receiving Agent and the Stock Transfer Agent will be for the account of the Issuer.

Use of Net Proceeds

ALCO intends to allocate the net proceeds from the Offer as indicated below:

Purpose	Firm Offer (in Php)	*% to Total Firm Offer*	Over-subscription Option (in Php)	TOTAL	*% to Total with Over-subscription Option*	Estimated Disbursement Schedule
To repay a short-term loan from BDO Unibank, Inc., the proceeds of which were used to redeem the Series C Preferred Shares. The principal amount of the loan is P1 billion and was fully drawn on June 18, 2024. The loan will mature on December 13, 2024, or within 5 banking days from the issuance of the Series F Preferred Shares, whichever is earlier. The loan carries interest at 7.75% pa.	1,000,000,000	*51%*	-	1,000,000,000	*34%*	Q4 2024
To fund the required investment from ALCO into a project company that will acquire and develop the property for Project Teal	971,877,987	*49%*	168,122,013	1,140,000,000	*38%*	Q4 2024 to Q4 2025
To partially fund scheduled repayments of the loan from BDO Unibank, Inc., the proceeds of which were used to finance the construction and development of ACPT. The loan carries interest at 5.8081% per annum and its final maturity date is on 8 July 2025.	-	-	400,000,000	400,000,000	*13%*	Q1 2025 to Q2 2025
General corporate purposes including providing additional support to existing projects and providing pre-funding for potential land acquisitions	-	-	424,489,566	424,489,566	*14%*	Q1 2025 to Q4 2025
TOTAL	**1,971,877,987**	***100%***	**992,611,579**	**2,964,489,566**	***100%***	

Composition of General corporate purposes	Firm Offer (in Php)	*% to Total Firm Offer*	Over-subscription Option (in Php)	TOTAL	*% to Total with Over-subscription Option*	Estimated Disbursement Schedule
To provide additional support for working capital requirements of Eluria and Una Apartments	-	-	200,000,000	200,000,000	*47%*	Q1 2025 to Q4 2025
To fund general requirements for potential land acquisitions beyond those already included in the pipeline. This includes conduct of due diligence, preliminary technical studies and initial concept design studies.	-	-	224,489,566	224,489,566	*53%*	Q1 2025 to Q4 2025
TOTAL	**-**	**-**	**424,489,566**	**424,489,566**	***100%***	

** BDO Capital is the investment banking arm of BDO Unibank, Inc., the creditor whose scheduled repayment will be fully funded by the proceeds of the Firm Offer in the case of the short-term loan facility and whose scheduled repayment will be partially funded by the proceeds of the Offer, provided that the Oversubscription Option has been exercised in the case of the loan that funded the construction of ACPT. The Offer and the facilities with BDO Unibank, Inc. are unrelated. They were independently contracted with ALCO without consideration of each other and were negotiated commercially and separately on an arm's length basis.*

The intended allocation of the net proceeds from this Offer are listed above in order of priority. In the event actual net proceeds from this Offer are substantially less than the maximum proceeds, the Company plans to do one or more of the following:

(a) Raise the shortfall by entering into bilateral agreements with banks for 5-year or 7-year term loans at the parent level;

(b) Defer the acquisition and development of properties for which adequate funding cannot be obtained; and,

(c) Explore alternative property acquisition opportunities which may require less funding from ALCO.

Use of Proceeds from the Firm Offer

Repayment of short-term loan that was used to redeem the Series C Preferred Shares

The Company will use ₱1,000,000,000.00 from net proceeds from the Firm Offer to repay a short-term loan with BDO Unibank, Inc., the proceeds of which were used to redeem the Series C Preferred Shares on its 5th Year anniversary date and first optional redemption date. As of June 27, 2024, the Series C Preferred Shares have been fully redeemed. The redemption amount for the Series C Preferred Shares was ₱1,000,000,000. The proceeds from Series C Preferred Shares were disbursed to fund Arthaland's equity infusion into Bhavana and Bhavya amounting to ₱300 million and ₱530 million respectively, as well as to fund Arthaland's working capital requirements.

The short-term loan from BDO Unibank, Inc. has a principal amount ₱1 billion and was fully drawn on June 18, 2024. The loan will mature on December 13, 2024 or within 5 banking days from the issuance of the Series F Preferred Shares, whichever is earlier. The loan carries interest at 7.75% pa.

Proceeds from the Series F Preferred Shares amounting to ₱1,000,000,000 will be applied towards the repayment of the principal amount of the short-term facility with BDO Unibank Inc. The accrued interest on this short-term facility will be funded using Arthaland's internally generated funds.

BDO Capital, the Sole Issue Manager, Underwriter and Bookrunner, is a subsidiary of BDO Unibank, Inc., which is the lender intended to be paid from a portion of the proceeds as discussed above.

Investment into a project company that will acquire and develop the property for Project Teal

The Company is acquiring a 3,700 sqm property located in northern Metro Manila within the vicinity of major universities. Once acquired, the Company plans to develop this into Project Teal, a two-tower residential condominium project that will carry the high-quality standards and sustainability certifications of all ALCO projects. It will have features that will cater to communities and universities in the surrounding area.

Project Teal's estimated project cost is ₱5.87 billion which is composed of land acquisition, construction and development and financing costs. The funding plan for Project Teal requires initial equity from Arthaland of about ₱1.14 billion, senior secured term loan facilities of ₱1.95 billion and ₱2.78 billion from pre-selling of units. The allocation from the proceeds of the Series F Preferred Shares for Project Teal will fund the equity requirement of the project. The Company has initiated discussions with potential joint venture partners and expects to execute a joint venture agreement by Q2 2025. Funding from a senior secured term loan facility is expected to begin by Q2 2025. Finally, funding from pre-selling of units is expected to begin upon the launch of the project and will continue throughout the construction period.

To partially fund its estimated required investment into the project company that will acquire the property and develop it into Project Teal, ALCO is allocating ₱972 million from the proceeds of the Firm Offer and estimates that this amount will be disbursed between Q4 2024 to Q2 2025.

Project Teal will be undertaken by Sotern Land Corporation which is currently wholly owned by Arthaland. As such, the land for Project Teal will be acquired by Sotern Land Corporation using proceeds from ALCO's subscription to common and preferred shares of Sotern Land Corporation.

Use of Proceeds from the Oversubscription Option

Any amount raised from the exercise of the Oversubscription Option will be used by the Company to fund the required investment into the following which are listed below in order of priority.

Additional investment into Sotern Land Corporation for Project Teal

The Company will allocate up to approximately ₱168 million from the proceeds of the exercise of the Oversubscription Option to fully fund the equity requirement for the project company that will acquire and develop Project Teal. The Company expects to disburse this from Q2 2025 to Q4 2025.

Scheduled repayments on loan that funded ACPT

The Company plans to allocate up to ₱400.00 million from the net proceeds from the exercise of the Oversubscription Option to partially fund scheduled repayments of the loan from BDO Unibank, Inc. dated April 15, 2015 (the "**ACPT Loan**") to finance the construction and development of the ACPT. Payments for the ACPT Loan consist of twenty-four (24) consecutive quarterly installments which commenced four years after the initial borrowing date on July 8, 2015, based on an installment schedule set out in the ACPT Loan agreement.

The allocation from the exercise of the Oversubscription Option is intended to fund the principal repayments scheduled on the dates below:

January 8, 2025	₱200,000,000.00
April 8, 2025	₱200,000,000.00
TOTAL	**₱400,000,000.00**

The ACPT Loan bears 5.8081% interest and will mature on July 8, 2025.

BDO Capital, the Sole Issue Manager, Underwriter and Bookrunner, is a subsidiary of BDO Unibank, Inc., which is the lender intended to be paid from a portion of the proceeds as discussed above.

In addition to proceeds from this Offer the estimated funding requirement for the development of the projects are as follows:

Amounts in Php

Projects	Total Required Funding	Allocation from Net Proceeds	Other Sources of Funding	
			Equity from Strategic Partner	Term Loans at Project Level
Project Teal	5,870,000,000	1,140,000,000	420,000,000	1,950,000,000
To partially fund scheduled repayments of the loan with 5.8081% per annum interest due July 8, 2025 that financed the construction and development of ACPT	400,000,000	400,000,000	NA	NA
TOTAL	**6,270,000,000**	**1,540,000,000**	**420,000,000**	**1,950,000,000**

Net proceeds from the Offer will be used to fund the required investment from ALCO into Sotern Land Corporation that will undertake Project Teal. In turn, SLC will acquire the 3,700 sqm property for Project Teal. To date, SLC signed a Memorandum of Agreement (MOA) to acquire the property for a total consideration ranging from ₱933,250,000 to ₱1,025,375 inclusive of VAT depending on the fulfillment of conditions as set forth under the MOA. To date, SLC has paid the first tranche amounting to ₱300 million representing the downpayment for the acquisition. The owners of the property are currently completing the conditions and documents required to trigger the release of succeeding tranches. SLC expects to complete the payments within 2025.

ALCO will disclose any changes in the planned use of proceeds in accordance with the disclosure rules of the SEC and the PSE.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Issuer's current plans and anticipated expenditures. In the event there is any change in the Issuer's current plans, including force majeure, market conditions and other circumstances, the Issuer will carefully evaluate the situation and may reallocate the proceeds at the discretion of the Issuer's management. The Issuer's cost estimates may also change as plans are developed further. For these reasons, timing and actual use of the net proceeds, and estimates, may vary from the foregoing discussion.

In the event of any substantial deviation/adjustment in the planned use of proceeds, the Issuer shall inform the SEC, its shareholders and the PSE in writing at least thirty (30) days before such deviation or adjustments is implemented. Any material or substantial adjustment to the use of proceeds, as indicated above, should be approved by the Company's BOD and disclosed to the PSE. In addition, the Company shall submit via the PSE's Online Disclosure System the following disclosure to ensure transparency in the use of proceeds:

a. Any material disbursement 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 or on before the first fifteen (15) days of the following quarter;

c. Annual Summary of the application of proceeds on or before January 31 of the year following the initial public offering

d. Certification of an external auditor on the accuracy of the information reported by the Company to the exchange in the quarterly and annual reports.

Pending the above use of proceeds, the Issuer intends to invest the net proceeds from the Preferred Shares in short-term liquid investments including but not limited to short-term government securities, bank deposits and money market placements which are expected to earn prevailing market rates. In the event such investments should incur losses, any shortfall will be financed from the Company's internally generated funds.

None of the proceeds will be used to reimburse any officer, director, employee, or shareholder for service rendered, assets previously transferred, money loaned or advance or otherwise. Except for the amounts allocated to fully repay the short-term loan from BDO Unibank, Inc. that was used to redeem the Series C Preferred Shares and to partially fund scheduled repayments of the loan from BDO Unibank, Inc. that financed the construction and development of ACPT, none of the proceeds shall be used to repay any credit facilities procured from BDO Capital and any of its affiliates.

Dilution

The Series F Preferred Shares will not have any dilutive effect on the rights of the holders of the common shares of the Company as the Series F Preferred Shares are non-voting, non-convertible and non-participating.

The Offer Shares shall have no voting rights except as specifically provided by the Revised Corporation Code. Thus, holders of Offer Shares shall not be eligible, for example, to vote for or elect the Issuer's Directors or to vote for or against the issuance of a stock dividend. Shareholders, however, may vote on matters which the Revised Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the articles of incorporation.

Plan of Distribution

ALCO plans to issue the Series F Preferred Shares to institutional and retail investors in the Philippines through a public offering to be conducted through the Lead Underwriter and the Selling Agents. The Offer does not include an international offering.

Lead Underwriter

BDO Capital & Investment Corporation, (the "**Lead Underwriter**" or "**BDO Capital**") has agreed to distribute and sell the Series F Preferred Shares at the Offer Price, pursuant to an Underwriting Agreement with ALCO dated [•] (the "**Underwriting Agreement**"). Subject to the fulfillment of the conditions provided in the Underwriting Agreement, the Lead Underwriter has committed to firmly underwrite the following amounts:

Lead Underwriter	Underwriting Commitment	Number of Shares Underwritten
BDO Capital & Investment Corporation	Php2,000,000,000.00	4,000,000
Total	Php2,000,000,000.00	4,000,000

Prior to the close of the Offer Period, the Lead Underwriter, with the consent of the Issuer, may, but does not have the obligation, to increase the Offer size up to an additional 2,000,000 Series F Preferred Shares (the "**Oversubscription Option**").

The underwriting fees and any selling fees to be paid by the Company in relation to the Offer shall be equivalent to 55 basis points of the gross proceeds of the Offer grossed up for applicable withholding taxes, or effectively 57.9 basis points of the gross proceeds of the Offer. This shall be inclusive of underwriting fees to be paid to the Lead Underwriter, which shall be equivalent to 42.5 basis points of the gross proceeds of the Offer and any commissions to be paid to the Selling Agents, which shall be equivalent to 12.5 basis points of the final allocated amount of Offer Shares to each Participating trading participant.

The Lead Underwriter is duly licensed by the SEC to engage in the underwriting or distribution of the Series F Preferred Shares. The Lead Underwriter may, from time to time, engage in transactions with and perform services in the ordinary course of its business, for ALCO or any of its subsidiaries.

The Lead Underwriter has no direct relations with ALCO in terms of ownership by either of their respective major shareholder/s and has no right to designate or nominate any member of the BOD of ALCO.

The Lead Underwriter has no contract or other arrangement with ALCO by which it may return to ALCO any unsold Series F Preferred Shares that form part of the Firm Offer. Furthermore, there is no contract or other arrangement where any of the Series F Preferred Shares are designated to be sold to specified persons.

BDO Capital is the wholly owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999. It obtained its license to operate as an investment house in 1998 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of March 31, 2024, its total assets amounted to ₱4.20 billion and its capital base amounted to ₱3.93 billion.

Sale and Distribution

The distribution and sale of the Series F Preferred Shares shall be undertaken on a firm commitment basis by the Lead Underwriter who shall sell and distribute the Series F Preferred Shares to third party buyers/investors. The Lead Underwriter is authorized, in its sole discretion, to organize a syndicate of Selling Agents for the purpose of the distribution of the Offer. In connection with the foregoing, the Lead Underwriter may enter into agreements, participation agreements or like agreements with Selling Agents, as necessary. There is nothing in such agreements that allow the Lead Underwriter to return to ALCO any unsold underwritten Series F Preferred Shares.

Of 4,000,000 Series F Preferred Shares to be offered under the Firm Offer, 70% or up to 2,800,000 Series F Preferred Shares will be offered through the Lead Underwriter for subscription and sale to Qualified Institutional Buyers and the general public. The Company shall allocate 20% or up to 800,000 Series F Preferred Shares for distribution to respective clients of the 121 trading participants of the PSE acting as Selling Agents. Each trading participant shall be allocated 6,611 Series F Preferred Shares (computed by dividing the Series F Preferred Shares allocated to the trading participants by 121), subject to reallocation as may be determined by the Lead Underwriter in consultation with the PSE. Based on the initial allocation for each PSE Trading Participant, there will be a total of 2,120 residual Series F Preferred Shares to be allocated as may be determined by the Lead Underwriter in consultation with the PSE. Trading participants may undertake to purchase more than their allocation of 6,611 Series F Preferred Shares. Any requests for Series F Preferred Shares in excess of 6,611 Series F Preferred Shares may be satisfied via the reallocation of any Series F Preferred Shares not taken up by other trading participants or, at the sole discretion of the Lead Underwriter, out of the Oversubscription Option, if exercised.

Prior to close of the Offer Period, any Series F Preferred Shares not taken up by the trading participants shall be distributed by the Lead Underwriter directly to their clients and the general public. All Series F Preferred Shares that form part of the Firm Offer not taken up by the trading participants, general public, and the Lead Underwriter's clients shall be purchased by the Lead Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

LOCAL SMALL INVESTORS

On April 16, 2024, the PSE issued Memorandum Circular CN No. 2024-0024 ("**C.N. 2024-0024**") which provides the amendments to Article III, Part F, Section 13 and Article V, Part F of the Consolidated Listing and Disclosure Rules, effective immediately. Under C.N. 2024-0024, the allocation of offer shares to Local Small Investors shall be mandatory. As such, the Company will allocate up to [400,000] Offer Shares or [10]% of the Offer Shares to the Local Small Investors through the PSE Electronic Allocation System or "PSE EASy." The procedure in subscribing to offer shares via PSE EASy is indicated in the Company's Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website.

"**Local Small Investor**" or "**LSI**" shall mean a share subscriber who is willing to subscribe a minimum purchase price of [100] shares and whose subscription does not exceed ₱100,000.00.

TRADING PARTICIPANT ALLOCATION PROCESS

Mechanics of Distribution

The total number of Offer Shares to be allocated to each Trading Participant is in accordance with the following process:

(a) If the total number of Offer Shares requested by a Trading Participant, based on its Firm Undertaking Report, does not exceed the Allocation per TP, the Sole Issue Manager, Lead Underwriter and Bookrunner shall fully satisfy the request of such Trading Participant. Each Trading Participant is assured of not less than the Allocation per TP. The balance, if any, shall be re-distributed among those who have signified a commitment to purchase more than the Allocation per TP in their Firm Undertaking Report until all the Offer Shares allotted for distribution are fully allocated.

(b) If the total number of Offer Shares requested by a Trading Participant exceeds the Allocation per TP, additional shares may be sourced from the Offer Shares not taken up by the other Trading Participants. The Sole Issue Manager, Lead Underwriter and Bookrunner shall allocate the Offer Shares to Trading Participants by: (i) fully satisfying the orders of those Trading Participants who have firm orders that are less than or equal to the Allocation per TP; and (ii) distributing equitably the remaining Allocation per TP to other Trading Participants with orders for additional shares, but only up to their respective firm orders.

(c) In no case shall any Trading Participant be awarded more than the shares indicated in its Firm Undertaking Report.

(d) If the aggregate number of Offer Shares requested by all Trading Participants is less than the Offer Shares initially allocated to the Trading Participants Offer, the balance shall be returned to Joint Bookrunners for reallocation.

All deadlines indicated in the Company's Implementing Guidelines for Trading Participants shall be strictly followed.

Term of Appointment

The engagement of the Lead Underwriter shall subsist so long as the SEC Permit to Sell relating to the Series F Preferred Shares remains valid, unless otherwise terminated pursuant to the Underwriting Agreement.

Manner of Distribution

The Lead Underwriter shall, at their discretion, determine the manner by which proposals for subscriptions to, and issuances of, the Series F Preferred Shares shall be solicited, with the sale of the Series F Preferred Shares to be effected only through the Lead Underwriter.

Withdrawal of the Offer

The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and PSE.

The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the Offer Period and prior to the Listing Date, if there is a supervening force majeure or fortuitous event, such as:

a. An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international financial, political, economic or stock market conditions which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the Prospectus, or would have a material adverse effect on the Philippine economy, on the securities or other financial or currency markets of the Philippines, or on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it impracticable or inadvisable to proceed with the Offer in the manner contemplated by the Prospectus, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or the Sole Issue Manager, Lead Underwriter and Bookrunner's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Sole Issue Manager, Lead Underwriter and Bookrunner, or any other entity/ person to take up any Offer Shares remaining after the Offer Period;

b. Issuance of an order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution or listing of the Offer Shares by any court or governmental agency or authority with jurisdiction on the matter, including the SEC or the PSE;

c. Cancellation, revocation or termination of the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration and the SEC Permit to Sell;

d. Cancellation or suspension of trading in the PSE for at least three (3) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by PSE;

e. A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; or (b) the capacity and due authorization of the Issuer to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer, or (ii) would render illegal the performance by the Sole Issue Manager, Lead Underwriter and Bookrunner of its underwriting obligations hereunder;

f. Any significant, adverse, and unforeseeable change or development in the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public;

g. The Issuer decides to or is compelled to stop its operations which is not remedied within five (5) Business Days;

h. The Issuer 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 assignment with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) the Issuer 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 (iii) such receiver, trustee or similar officer shall be appointed; or (iv) the Issuer shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against the Issuer; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the Issuer; or (vi) any event occurs which under the laws of the Philippines or to other jurisdictions, or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;

i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;

j. Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against the Sole Issue Manager, Lead Underwriter and Bookrunner in connection with or with respect to the issuance or sale by the Issuer of the Offer Shares or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable;

k. Any event occurs which makes it impossible for the Sole Issue Manager, Lead Underwriter and Bookrunner to perform its underwriting obligations due to conditions beyond their control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the Sole Issue Manager, Lead Underwriter and Joint Bookrunner, or directing the Sole Issue Manager, Lead Underwriter and Bookrunner to cease, from performing its underwriting obligations;

l. Any representation, warranty or statement of the Issuer in the Prospectus shall prove to be untrue or misleading in any material respect or Issuer shall be proven to have omitted a material fact necessary in order to make the statements in the Prospectus not misleading, which untruth or omission: (a) was not known and could not have been known to the Sole Issue Manager, Lead Underwriter and Bookrunner on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability;

m. Unavailability of PDTC and PSE facilities used for the Offer and/or Listing and such unavailability impacts the ability of the Issuer and the Sole Issue Manager, Lead Underwriter and Bookrunner to fully comply with the listing requirements of PSE; and

n. Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

The Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's Sole Issue Manager, Lead Underwriter and Bookrunner's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Sole Issue Manager, Lead Underwriter and Bookrunner, or any other entity/ person to take up any shares remaining after the Offer Period.

Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to this section and the "Plan of Distribution - Withdrawal of the Offer" of the Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.

Notwithstanding the foregoing, the Company and the Sole Issue Manager, Lead Underwriter and Bookrunner recognize and acknowledge that the PSE, in the exercise of its authority as a self-regulatory organization and further to its mandate to maintain a fair and orderly market, may impose appropriate sanctions and penalties on the Company and/or the Sole Issue Manager, Lead Underwriter and Bookrunner for the cancellation of the Offer if subsequently, the PSE makes a determination that the cancellation or suspension of the offer and/or the underwriting commitment was not warranted based on the facts gathered by PSE after proper evaluation.

The Underwriting Agreement also provides for grounds for termination of the Offer by the Sole Issue Manager, Lead Underwriter and Bookrunner such as if there is a supervening force majeure or fortuitous event as described therein.

Expenses

All out-of-pocket expenses, including but not limited to, registration fees with the SEC, printing, publication, communication and signing expenses incurred by the Lead Underwriter in the negotiation and execution of the transaction will be for the account of ALCO irrespective of whether the transaction contemplated herein is completed. Such expenses are to be reimbursed upon presentation of a composite statement of account. See "Use of Proceeds" above for details of expenses.

Determination of the Offer Price

The Offer Price of ₱500.00 is at a premium to the Preferred Shares' par value per share of ₱1.00. The Offer Price was arrived at by dividing the desired gross proceeds of approximately ₱2.0 billion (or ₱3.0 billion in the event that the Oversubscription Option is exercised in full) by the target number of Preferred Shares allocated for the Offer.

The Company

OVERVIEW

ARTHALAND CORPORATION is a world-class boutique real estate developer of enduring and sustainable properties recognized internationally as the best residential and green developments. ALCO is building its mark in the Philippine real estate market by its unwavering commitment to sustainability and innovation, and by developing and managing properties that adhere to the global and national standards in green buildings.

ALCO is the recipient of various awards in the Philippines and in Asia. It was recognized as the *Best Boutique Developer (Philippines)* by the Asia Property Awards and the Philippines Property Awards in 2018. In 2019, the Company received three more recognitions from the Philippines Property Awards including *Special Recognition in Sustainable Development, Special Recognition in Design and Construction* and *Special Recognition in CSR*. ALCO's flagship projects likewise received recognition locally and internationally. *Arya Residences* was awarded *Best Green Feature Development* by the Japan International Property Awards (2018), *Best Residential High-Rise Development (Philippines)* by the Asia Pacific Property Awards (2014), and *Best Condo Development (Philippines)* by the South East Asia Property Awards (2012). *ACPT* likewise received awards including *Best Office Development and Best Green Development* from the Philippines Property Awards (2019), *Best Commercial Green Development in Asia* from the Asia Property Awards (2019) and *Best Green Feature Development* from the Japan International Property Awards (2019). *Cebu Exchange*, on the other hand, was also awarded *Best Office High Rise Development* from the Japan International Property Awards (2019).

ALCO was incorporated on August 10, 1994[11] for the primary purpose of engaging in the realty development business, including home building and development, and to deal, engage, invest and transact, directly or indirectly, in all forms of business and mercantile acts and transactions concerning all kinds of real property, including but not limited to the acquisition, construction, utilization and disposition, sale, lease, exchange or any mode of transfer of residential, industrial or commercial property.

In 2007, a group of investors led by AOCH1, an investment company specializing in investing in business opportunities in the Philippines, acquired 73.27% of ALCO's then outstanding capital stock, marking the beginning of its renewed focus in real estate development.

The year 2011 marked the entry into ALCO of CPG, an affiliate of leading food manufacturer Century Pacific Food, Inc., which is listed with the PSE under the stock symbol "CNPF", through its acquisition of 1,800,000,000 ALCO common shares. In 2014, CPG further solidified its commitment by purchasing an additional 342,619,910 ALCO common shares.

As of December 31, 2023, CPG and AOCH1 are the largest shareholders of ALCO with 40.29%[12] and 26.02%, respectively of ALCO's total issued and outstanding common shares. The Company's common shares and Series D Preferred Shares are traded on the PSE with the trading symbol ALCO and ALCPD respectively, while the Company's Series A Preferred Shares and Series E Preferred Shares which are held by a single shareholder remain unlisted. All Series B Preferred Shares were redeemed as of December 6, 2021 and were subsequently cancelled. The Series C Preferred Shares have been fully redeemed as of June 27, 2024.

ALCO's developments are registered or are set to be registered under the U.S. Green Building Council's LEED program, a globally recognized green building rating system that warrants comprehensive, inclusive and calibrated measures in ensuring sustainability and environmentally sound practices, PGBC's BERDE program, IFC's EDGE program and IWBI's Well program. In September 2019, ACPT, ALCO's flagship office development,

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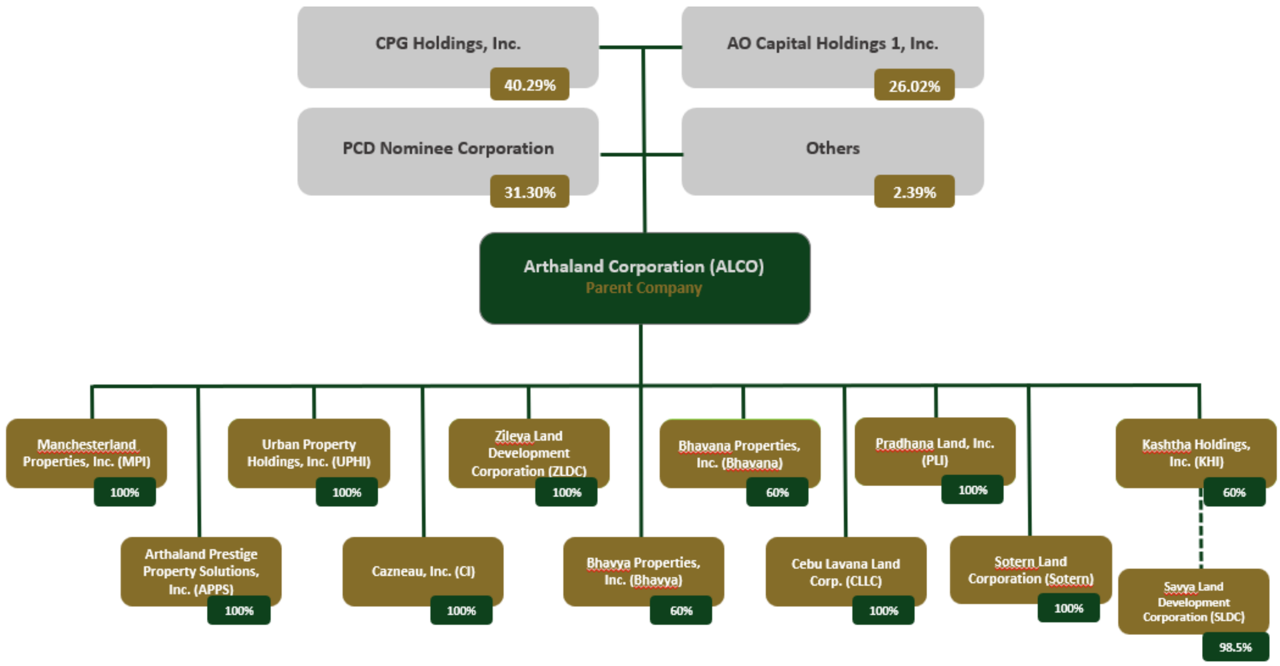
[11] ALCO was originally registered as Urbancorp Realty Developers, Inc. but was renamed in 2003 as EIB Realty Developers, Inc. On January 26, 2009, the SEC approved anew the change of the corporate name to ALCO.

[12] Including 125,000,000 indirectly owned shares

was recognized as the first Net Zero Carbon Project in the world certified under the EDGE Green Building Program of the IFC. ALCO's adherence to these ratings for all its projects demonstrates its strong commitment to environmentally responsible building practices.

Up to 2021, a substantial portion of the Group's consolidated revenues came from the sale of units of Cebu Exchange and Savya Financial Center which contributed about 78% of total revenues in 2021. From 2022, revenues from Lucima and the sale of commercial lots in Sevina Park Arcades started to diversify source of revenues for the Group. For the full year 2023, the contribution of Cebu Exchange and Savya Financial Center to consolidated revenues went down to about 50% as Eluria initiated revenue recognition during this period. Revenues from development sales were supplemented by lease income from ACPT, retail units of Arya Plaza in Arya, the dormitory units in Courtyard Hall in Sevina Park and the retained units for lease in Cebu Exchange. Revenues from the sale of residential units in Una Apartments are expected to contribute to consolidated revenues within 2024. New projects in the pipeline are expected to contribute to revenues from 2026 onward.

CORPORATE STRUCTURE



***98.5% of the shares of SLDC is currently registered under ALCO pending the completion of the capital reorganization of SLDC which will result in Kashtha owning 50% of SLDC's common shares.*

Subsidiaries and Joint Ventures

i. **Cazneau Inc.** was incorporated on July 31, 2008 principally to engage in the realty development business, including, but not limited to, the acquisition, construction, utilization and disposition, sale, lease, exchange or any mode of transfer of residential, industrial or commercial property. ALCO has 100% ownership interest in this company. On September 8, 2016, Cazneau executed a deed of absolute sale for the acquisition of an 8.1- hectare property in Biñan, Laguna for Sevina Park as discussed in more detail under the section *Projects.* Currently, Cazneau has an authorized capital stock of ₱1,000,000.00. Its total subscribed capital and paid-up capital is ₱1,000,000.00.

On June 28, 2024, the stockholders and BOD of Cazneau approved the amendment of its Articles of Incorporation to increase its authorized capital stock by ₱25,000,000.00 with the creation of 25,000,000 preferred shares with a par value of ₱1.00 per share, which would result to an authorized capital stock of ₱26,000,000.00 divided into ₱1,000,000.00 common shares consisting of 10,000 common shares with a par value of ₱100.00 per share, and ₱25,000,000.00 redeemable, noncumulative, non-voting, and non-participating preferred shares consisting of 25,000,000 preferred shares with a par value of ₱1.00 per share. The corresponding application was filed with the SEC on August 9, 2024 and remains pending to date.

ii. **Cebu Lavana Land Corp.** was incorporated on September 11, 2015 to principally engage in the realty development business. It is the vehicle ALCO used to acquire two parcels of adjacent land in Cebu City, Philippines with a total area of 8,440 sqm. CLLC is the project company for Cebu Exchange.

Currently, CLLC has an authorized capital stock of ₱200,000,000.00. Its total subscribed capital and paid- up capital is ₱83,333,300.00. 100% of CLLC's common and preferred shares is owned by ALCO.

iii. **Arthaland Prestige Property Solutions, Inc. (APPS)** (formerly **Emera Property Management, Inc.**) was incorporated on July 31, 2008. The SEC approved the change of the company's name to APPS on May 25, 2023.

APPS was originally established to engage in the realty development business but it now serves as the property management arm of ALCO for Arya, ACPT, Cebu Exchange, Savya and all its succeeding development projects to ensure the maintenance of high-quality standards therein.

On October 2, 2023, stockholders holding at least 67% of the total outstanding capital stock of APPS approved the amendment of the Articles of Incorporation to change its primary purpose by expanding its services to include providing project management, consultancy and other manpower services to property developers, among others, and to increase the authorized capital stock from ₱1,000,000.00 to P25,000,000.00 divided into 250,000 common shares with a par value of P100.00 per share in order to obtain the required licenses for such expanded purpose.

To implement the capital increase, in November 2023, ALCO subscribed to an additional 7,500 common shares of APPS from its unissued authorized capital stock and to 60,000 common shares from the increase of its authorized capital stock of 240,000 common shares, or a total of 67,500 common shares, at a subscription price of ₱100.00 per share.

The SEC approved the foregoing amendments to APPS's Articles of Incorporation on February 2, 2024.

ALCO has 100% ownership interest in this company.

iv. **Manchesterland Properties, Inc.** was incorporated on March 27, 2008 and is the registered owner of the 6,357-sqm parcel of land located along McKinley Parkway on which Arya now stands, prior to the conveyance thereof to Arya Residences Condominium Corporation in December 2016. It still owns the commercial units and several parking slots in said development. ALCO has 100% ownership interest in this company.

MPI is the lone shareholder of Preferred Shares Series A. On January 31, 2024, MPI again subscribed to Preferred Shares Series E equivalent to 14,000,000 at the price of ₱1.00 per share following the increase in ALCO's authorized capital stock and amendment of its Articles of Incorporation. Of the ₱14,000,000.00 subscription, the amounts of ₱1,500,000.00 was paid for 100% of the 1,500,000 preferred shares, and ₱3,125,000.00 was paid for 25% of the 12,500,000 preferred shares. These subscriptions were paid in cash on February 2, 2024. The balance of the subscription price, or the amount of ₱9,375,000.00, has become due following the SEC's approval of the amendment of ALCO's Articles of Incorporation increasing its authorized capital stock. This was paid on August 9, 2024.

v. **Savya Land Development Corporation** was incorporated on February 10, 2017 principally to engage in the realty development business. It is the vehicle ALCO used to acquire Lots 9 and 10 in Arca South located in Barangay West Bicutan, Taguig City. In August 2019, the SEC approved SLDC's application to merge with Arcosouth, with SLDC as the surviving entity. Arcosouth is the registered owner of Lot 11, the lot adjacent to SLDC's property. The objective of the parties to the merger is to jointly develop the three lots into Savya Financial Center. On August 22, 2019, the SEC issued the Certificate of Filing of the Articles and Plan of Merger between SLDC as the surviving corporation and Arcosouth as the absorbed corporation. On June 26 , 2023, the BIR issued the Certificate Authorizing Registration in relation to transfer of shares and subscription rights of ALCO in SLDC in favor of KHI.

Following the merger, SLDC issued shares to the shareholders of Arcosouth and to date, Kashtha owns 98.5% of Savya. Currently, SLDC has an authorized capital stock of ₱200,000,000.00. Its total subscribed capital and paid-up capital are ₱50,750,000.00 and ₱12,750,000.00 respectively.

Under the agreement between Kashtha and Arcosouth shareholders, Savya will issue additional shares to the Arcosouth shareholders such that Savya will be owned 50:50 by Kashtha and Arcosouth shareholders.

vi. **Kashtha Holdings, Inc.** was incorporated on October 1, 2019, as a joint venture company ("**JV Company**") between ALCO and MEC, which own 60% and 40% of the common shares of KHI respectively. On February 13, 2023, the BIR issued the Certificate Authorizing Registration in relation to the sale of 40% of the common shares of KHI in favor of MEC. Kashtha holds a 50% equity interest in SLDC following the terms of the agreements executed with the shareholders of Arcosouth as discussed above.

vii. **Urban Property Holdings, Inc.** was incorporated on January 23, 1995 and is presently the registered owner of the 33-hectare property located in Calamba, Laguna, which may be developed in the future subject to market conditions. ALCO has 100% ownership interest in this company.

Currently, UPHI has an authorized capital stock of ₱80,000,000.00. Its total subscribed capital and paid-up capital is ₱20,000,000.00.

viii. **Zileya Land Development Corporation** was incorporated on December 28, 2015 with the primary purpose of engaging in the realty development business. ZLDC is the investment vehicle which ALCO used to acquire about 47.4% of the property which will be the site for the *Makati CBD Residential Project 1* as discussed in more detail under the section *Projects.* ALCO has 100% ownership interest in this company. Currently, ZLDC has an authorized capital stock of ₱200,000,000.00. Its total subscribed capital and paid-up capital are ₱50,000,000.00 and ₱12,500,000.00 respectively.

ix. **Bhavana Properties, Inc.** was incorporated on July 15, 2019 with the primary purpose of engaging in the realty development business. This is the investment vehicle used to purchase a parcel of land with a total area of 2,245 sqm, more or less, located in the corner of Cardinal Rosales Avenue and Samar Loop Road, Cebu City and which is the site of Lucima.

Currently, Bhavana has an authorized capital stock of ₱100,000,000.00. Its total subscribed capital and paid-up capital are ₱25,000,000.00 and ₱25,000,000.00, respectively.

On December 23, 2021, all of ALCO's rights, title and interest in and to 40% of the common shares of stock of Bhavana, or 10,000,000 common shares, as well as its shareholder advances therein, were sold, transferred and conveyed in favor of Arch SPV 2 by way of secondary sale.

x. **Bhavya Properties, Inc.** was incorporated on July 19, 2019 with the primary purpose of engaging in the realty development business. This is the investment vehicle that currently develops Eluria.

Currently, Bhavya has an authorized capital stock of ₱100,000,000.00. Its total subscribed capital and paid-up capital are ₱25,000,000.00 and ₱25,000,000.00 respectively.

On December 23, 2021, ALCO sold, transferred and conveyed in favor of Arch SPV 2, by way of secondary sale, all of its rights, title and interest in and to 40% of the common shares of stock of Bhavya, or 10,000,000 common shares, as well as its shareholder advances therein.

In November 2023, ALCO and Arch SPV 2 subscribed to preferred shares of Bhavya equivalent to 663,000 and 442,000, respectively, at the subscription price of ₱100.00 per share. In March 2024, ALCO and Arch SPV 2 subscribed to additional preferred shares of Bhavya equivalent to 450,000 and 300,000, respectively, also at the subscription price of ₱100.00 per share.

xi. **Pradhana Land, Inc.** was incorporated on September 9, 2019 with the primary purpose of engaging in the realty development business. This is the investment vehicle that will be used for ALCO's succeeding projects, the details of which will be disclosed at the appropriate time.

Currently, Pradhana has an authorized capital stock of ₱100,000,000.00. Its total subscribed capital and paid-up capital are ₱25,000,000.00 and ₱6,250,000.00 respectively.

xii. **Sotern Land Corporation** was incorporated on April 22, 2024 with the primary purpose of engaging in the realty development business. ALCO has 100% ownership interest in this company. This is one of the investment vehicles that will be used for ALCO's succeeding projects, the details of which will be disclosed at the appropriate time.

Currently, SLC has an authorized capital stock of ₱100,000,000.00. Its total subscribed capital and paid-up capital are ₱25,000,000.00 and ₱25,000,000.00 respectively. On August 6, 2024, ALCO subscribed to an additional 5,000,000 redeemable preferred shares of SLC, at a subscription price of ₱100.00 per share for the total amount of ₱500,000,000.00. ALCO paid ₱295,000,000.00 on August 7, 2024 and the balance thereof shall be due upon call of SLC's Board of Directors, without prejudice to ALCO making such payment, in full or in part, at any time before said call.

Subject to matters disclosed under the section "Legal Proceedings" of this Prospectus, ALCO and these subsidiaries are not engaged in any bankruptcy, receivership, or similar proceedings. During the period covered by this Prospectus, neither of the above-named subsidiaries or ALCO are parties to any transaction which involves material reclassification, merger, consolidation or purchase or sale of a significant amount of assets, with the exception of SLDC, Bhavana and Bhavya as explained above.

Furthermore, risks relating to ALCO and its subsidiaries including planned measures to identify, assess and manage such risks are disclosed in the section on "*Risk Factors*", specifically under "*Risks relating to ALCO and its subsidiaries"* starting on page [64].

The revenue and net income contribution of ALCO and its subsidiaries are summarized below:

ARTHALAND CORPORATION AND SUBSIDIARIES
SUMMARY OF REVENUE AND NET INCOME
For the Years ended December 31, 2021 – 2023 and six months ended June 30, 2024 and 2023

In Php millions	REVENUE (Audited)						REVENUE (Unaudited)			
	2023		2022		2021		H1 2024		H1 2023	
Company	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Arthaland Corporation	516	8%	549	17%	770	22%	262	10%	260	7%
Manchesterland Properties, Inc.	6	0%	8	0%	5	0%	10	0%	5	0%
Arthaland Prestige Property Solutions, Inc.	42	1%	35	1%	23	1%	57	2%	21	1%
Cazneau, Inc.	809	12%	726	23%	305	9%	909	34%	619	18%

Urban Property Holdings, Inc.	-	0%	-	0%	-	0%	-	0%	-	0%
Cebu Lavana Land Corp.	1,002	15%	521	16%	1,355	39%	533	20%	391	11%
Zileya Land Corporation	-	0%	-	0%	-	0%	-	0%	-	0%
Savya Land Development Corporation	2,393	35%	435	14%	975	28%	142	5%	1,520	44%
Bhavana Properties, Inc.	1,512	22%	918	29%	-	-	480	18%	662	19%
Bhavya Properties, Inc.	566	8%	-	0%	-	-	308	11%	-	-
Pradhana Land, Inc.	-	0%	-	0%	-	-	-	0%	-	0%
Kashtha Holdings, Inc.	-	0%	-	0%	-	-	-	0%	-	0%
Sotern Land Corporation	-	0%	-	0%	-	-	-	0%	-	0%
Total before consolidation	6,846	100%	3,192	100%	3,433	100%	2,701	100%	3,478	100%
Consolidation Entries	(207)		(269)		(461)		(130)		(106)	
Consolidated Revenues	6,639		2,923		2,972		2,571		3,372	

In Php millions	NET INCOME (Audited)						NET INCOME (Unaudited)			
	2023		**2022**		**2021**		**H1 2024**		**H1 2023**	
Company	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Arthaland Corporation	413	16%	192	11%	1,001	52%	231	20%	99	9%
Manchesterland Properties, Inc.	23	1%	8	0%	91	5%	49	4%	3	0%
Arthaland Prestige Property Solutions, Inc.	3	0%	7	0%	3	0%	28	2%	3	0%
Cazneau, Inc.	62	2%	250	15%	228	12%	169	15%	162	15%
Urban Property Holdings, Inc.	(6)	0%	69	4%	80	4%	121	11%	(3)	0%
Cebu Lavana Land Corp.	441	17%	546	32%	193	10%	(16)	-1%	329	30%
Zileya Land Development Corporation	0	0%	(1)	0%	(2)	0%	0	0%	0	0%
Savya Land Development Corporation	763	30%	61	4%	315	17%	143	13%	430	39%
Bhavana Properties, Inc.	196	8%	109	6%	31	2%	9	1%	84	8%
Bhavya Properties, Inc.	107	4%	(31)	-2%	(32)	-2%	19	2%	1	0%
Pradhana Land, Inc.	0	0%	0	0%	0	0%	0	0%	0	0%
Kashtha Holdings, Inc.	530	21%	513	30%	0	0%	389	34%	0	0%
Sotern Land Corporation	-	-	-	-	-	-	(1)	0%	-	0%
Total before consolidation	2,532	100%	1,723	100%	1,908	100%	1,141	100%	1,108	100%
Consolidation Entries	(1,143)		(850)		(793)		(674)		(204)	
Consolidated Net Income	1,389		873		1,115		467		904	

CORPORATE HISTORY

ALCO was incorporated in the Philippines on August 10, 1994 originally as *Urbancorp Realty Developers, Inc. (URDI)*. It was the real estate arm of then Urban Bank, Inc. (UBI) which was a universal bank at the time with full authority to engage in non-allied undertakings.

URDI conducted its initial public offering in 1996 with the listing of 701 million common shares. The proceeds thereof amounting to ₱835.00 million were used to fund the company’s transactions and to settle its 1995 Notes Payable Account.

URDI developed Exportbank Plaza (previously Urban Bank Plaza) and the One McKinley Place Condominium, which is a 50:50 joint venture undertaking of URDI and the Philippine Townships, Inc. (formerly RFM Properties and Holdings, Inc.) through One McKinley Place, Inc. as the corporate vehicle.

On January 31, 2002, the SEC approved the merger among UBI, then Export and Industry Bank, Inc. (a development bank) and Urbancorp Investments, Inc. UBI was the surviving entity but it was renamed Export and Industry Bank, Inc. (EIB). Bangko Sentral ng Pilipinas also downgraded EIB's authority to a commercial bank with a directive to divest from its non-allied undertakings, which included URDI.

Around this time, URDI was renamed *EIB Realty Developers, Inc. (EIBR)* and the par value of its shares of stock was reduced from ₱100.00 to ₱1.00. EIB held 70%, more or less, of the outstanding shares of EIBR. EIBR had minimal operations since 2004.

In January 2006, new investors came into EIB. Mr. Jaime C. González became the Chairman of the Board of EIB in May 2006.

On May 21, 2007, EIBR held its annual stockholders' meeting primarily for the purpose of electing the new members of its BOD who were expected to develop a proactive medium and long-term business plan for EIBR. Some directors of the EIB Board became directors of the new EIBR Board and Mr. González was also appointed Chairman thereof.

On May 24, 2007, the EIBR Board approved the quasi-reorganization of the Company by (i) decreasing the par value of EIBR's common shares from ₱1.00 to ₱0.18 per share, with the corresponding decrease in the authorized capital stock from ₱2.00 Billion to the paid-in capital stock of ₱246,257,136.00 only, and (ii) amending EIBR's Articles of Incorporation to reflect the proposed reorganization.

The foregoing corporate actions were approved at EIBR's Special Stockholders' Meeting held on July 2, 2007. Around the same time, EIBR's 50% equity investment in One McKinley Place, Inc. was sold, transferred and assigned to its joint venture partner in the said project, Philippine Townships, Inc.

On December 4, 2007, the SEC approved the amendment to the Articles of Incorporation of EIBR decreasing the par value of its common shares from ₱1.00 to ₱0.18 per share with the corresponding decrease in the authorized capital stock from ₱2.00 billion to the paid-in capital stock of ₱246,257,135.82 only.

Following the reduction in the par value of its shares and decrease in authorized capital stock, EIBR undertook a recapitalization program as approved by the SEC in December 2008 which led to the entry of new investors with the ₱750.00 million subscription of AO Capital Holdings I, Inc., Vista Holdings Corporation, The First Resources Management and Securities Corporation, and Elite Holdings, Inc.

On January 28, 2008, EIBR stockholders amended anew the Articles of Incorporation and approved the increase of the authorized capital stock by ₱2.70 billion or 15.00 billion common shares, *i.e.,* from ₱246,257,135.82 divided 1,368,095,199 common shares at a par value of ₱0.18 per share to ₱2,946,257,135.82 divided into 16,368,095,199 common shares also at a par value of ₱0.18 per share. At this point, EIB's shareholdings in EIBR were reduced to approximately 19%.

With the SEC's approval on January 26, 2009, EIBR became **Arthaland Corporation** and it started using the symbol **ALCO** on the board of the PSE.

On April 26, 2011, CPG acquired a total of 1,800,000,000 ALCO common shares, or an equivalent of 33.847% of ALCO's total issued and outstanding common shares. In 2014, CPG purchased an additional 342,619,910 ALCO common shares.

On September 22, 2016, ALCO's authorized capital stock was increased to ₱2,996,257,135.82 divided into ₱2,946,257,135.82 of common shares (consisting of 16,368,095,199 common shares with a par value of

₱0.18 per share), and ₱50,000,000.00 of redeemable, non-voting and non-participating preferred shares (consisting of 50,000,000 preferred shares with a par value of ₱1.00 per share).

Of the ₱50,000,000.00 increase in capital stock, ALCO issued 12,500,000 cumulative, non-voting, non-participating, non-convertible Peso-denominated Preferred shares to Manchesterland Properties, Inc. (the "Series A Preferred Shares"), and 20,000,000 Preferred shares which are likewise cumulative, non-voting, non-participating, non-convertible and Peso-denominated, among other conditions, to the public (the "Series B Preferred Shares Series B").

In June 2019, ALCO again issued to the public 10,000,000 Preferred shares which are also cumulative, non-voting, non-participating, non-convertible, and Peso-denominated, among other conditions (the "Series C Preferred Shares").

On December 3, 2021, ALCO issued once more to the public 6,000,000 Preferred shares, which are similarly cumulative, non-voting, non-participating, nonconvertible, and Peso-denominated, among other conditions (the "Series D Preferred Shares").

On December 6, 2021, ALCO redeemed all of the outstanding 20,000,000 Series B Preferred Shares and these were initially recorded as treasury shares of the Company pursuant to the 2016 Terms of the Offer for the said shares. Following the approval of the SEC Amendment on August 14, 2024, the Series B Preferred Shares have been cancelled.

During the Annual Stockholders' Meeting on June 24, 2022, ALCO approved the amendment of Article Seventh of its Articles of Incorporation by reducing the authorized capital stock by ₱20,000,000.00 resulting from the redemption (and subsequent cancellation) of the 20,000,000 Series B Preferred Shares.

With such approval, ALCO's authorized capital stock was in effect reduced from ₱2,996,257,135.82 to ₱2,976,257,135.82 divided into ₱2,946,257,135.82 of common shares consisting of 16,368,095,199 common shares with a par value of ₱0.18 per share, and ₱30,000,000.00 of preferred shares consisting of 30,000,000 preferred shares with a par value of P1.00 per share.

On January 31, 2024, stockholders representing at least 67% of the outstanding common and preferred shares which are entitled and qualified to vote approved and ratified the foregoing decrease of the authorized capital stock by ₱20,000,000.00 and subsequently approved the proposal to amend Article Seventh of the Articles of Incorporation anew by increasing ALCO's authorized capital stock by ₱50,000,000.00 with the creation of 50,000,000 preferred shares with a par value of ₱1.00 per share.

For purposes of implementing the foregoing increase of ALCO's authorized capital stock, the BOD, during a meeting also held on January 31, 2024, approved the issuance to Manchesterland Properties, Inc. of 14,000,000 preferred shares which are cumulative, non-voting, non-participating, non-convertible and Peso-denominated, among other conditions, at an offer price of ₱1.00 per share (the "Series E Preferred Shares"), where 1,500,000 preferred shares will come from the unissued capital stock, and 12,500,000 preferred shares will be issued from the increase of 50,000,000 preferred shares following the approval by the SEC of the amendment of ALCO's Article Seventh of its Articles of Incorporation.

On June 27, 2024, ALCO redeemed all the outstanding 10,000,000 Series C Preferred Shares and these were initially recorded as treasury shares of the Company.

Upon approval of the SEC Amendment on August 14, 2024, the total authorized capital stock of ALCO is now ₱3,026,257,135.82 divided into ₱2,946,257,135.82 of common shares consisting of 16,368,095,199 common shares with a par value of ₱0.18 per share, and ₱80,000,000.00 of preferred shares consisting of 80,000,000 preferred shares with a par value of ₱1.00 per share.

All of ALCO's issued and outstanding common shares and Series D Preferred shares are listed with and traded in the PSE with trading symbols "ALCO" and "ALCPD", respectively. The PSE has delisted from its platform the Series B Preferred shares and Series C Preferred Shares with the trading symbols "ALCPB" and "ALCPC".

As of the date of this Prospectus, CPG and AOCH1 continue to be the largest stockholders of ALCO with 40.29%[13] and 26.02%, respectively, of the total issued and outstanding shares.

As of the date of this Prospectus, the Company has issued ₱6 billion Bonds under its ASEAN Green Bond Program, of which ₱3.00 billion were issued on February 6, 2020 and ₱3.00 billion were issued on December 22, 2022.

ALCO'S COMPETITIVE STRENGTHS

Strong Brand Equity Resulting from a Clear Differentiation in Sustainability and Proven Track Record from Recently Completed Projects

ALCO sets itself apart from its competition by positioning itself as the foremost sustainable developer in the Philippines with a project portfolio which is composed entirely of certified sustainable projects. All of its projects adhere to global and national standards for green buildings through the Leadership for Energy and Environmental Design (LEED) rating system of the US Green Building Council (USGBC) and the Building for Ecologically Responsive Design Excellence (BERDE) rating system of the Philippine Green Building Council (PGBC). In 2019 and 2020, ALCO expanded its sustainability commitment by pursuing additional green building rating tools, specifically the Excellence for Design and Greater Efficiencies (EDGE) rating system of the International Finance Corporation (IFC), and the WELL Building Standard (WELL) rating system of the IBWI.

In addition to the certifications for all its projects, ALCO further cemented its commitment to sustainability by being the first real estate developer in Asia and the first signatory from the Philippines to the Net Zero Carbon Building Commitment of the World Green Building Council (WorldGBC). As a signatory to this program, ALCO has officially committed to decarbonizing its portfolio by 2030. By doing so, it has placed not only ALCO, but also the Philippines, in the forefront of the global initiative for climate action. ALCO's commitment to a fully decarbonized portfolio means that it will design all its projects based on two guidelines. First, the projects need to achieve at least 40% energy savings compared to a conventional building in the country (based on local standards such as EDGE and BERDE). Second, the energy that the project will need should come entirely from a renewable energy source. By adhering to undertake these, the Company is able to achieve zero carbon operations footprint for all its tenants and residents in its buildings.

In 2023, the Company continued to make substantial progress on its commitment towards a fully decarbonized portfolio. For the full year ending December 31, 2023, the Company's operating development portfolio composed of Arya Residences, Arthaland Century Pacific Tower, Cebu Exchange and Courtyard Hall and Arthaland Gallery in Sevina Park were able to achieve 59% energy savings, 54% water savings and 80% avoided in greenhouse gas emissions compared to conventionally designed buildings in the Philippines. Notably, the Company's energy and water savings from its operational portfolio were well ahead of its targets of 40% energy savings and 20% water savings compared to a conventional building in the country. In terms of the reduction of greenhouse gas emissions, the Company is on track to achieve 100% reduction by 2030.

Arya, ALCO's multi-awarded real estate development, utilizes building features and design elements such as double-glazed glass facades as well as efficient air conditioning and water collection systems to achieve operational efficiencies resulting to significant savings in electricity and water costs that benefit the unit owner compared with conventionally designed buildings. In addition, the Company's projects are forward-looking and ready to adapt new technologies.

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[13] Certain shares of CPG are lodged with PDTC under PCD-Filipino.

Arya is the Philippines' first residential condominium to achieve dual green building certification after receiving a LEED Gold certification from the USGBC and 4-star certification from the PGBC. Arya was also awarded with ANZ/PH 3-Star under the pilot program of PGBC Advancing Net Zero Philippines. In 2023, Arya Residences Tower 1 has officially shifted to 100% offsite renewable energy while Tower 2 is likewise scheduled to shift to 100% renewable energy.

ACPT, on the other hand, was recognized as the first Net Zero Carbon Project in the world certified under the EDGE Green Building Program of the IFC in addition to having achieved LEED Platinum rating and the BERDE 5-star certification which are the highest and most prestigious categories in green building rating standards. In 2021, ACPT was awarded the WELL Health-Safety Rating seal that certifies the building's safe operations even during the COVID-19 pandemic. Its Health-Safety Ratings were renewed in January 2022, 2023 and 2024.

Cebu Exchange was completed in 2022. It has achieved LEED Gold certification, BERDE Design 5-Star certification and was awarded the WELL Health-Safety Rating seal in 2022. Its Health-Safety Ratings were renewed in February 2023 and 2024. It achieved EDGE Advanced Preliminary Certificate exemplifying savings in energy use, water use and embodied energy in materials and on-track to achieve EDGE Zero Carbon certification under the IFC's EDGE program. Cebu Exchange is the single largest green office building in the southern Philippines with various environmentally sustainable and resource-efficient design features including an optimized building envelope, energy saving air-conditioning system and water saving system.

ALCO initiated the handover of the North Tower of Savya Financial Center in January 2022 and inaugurated the South Tower in October 2022. Savya Financial Center offers a world-class signature office experience hinged on comfort and efficiency resulting from its leading-edge sustainable building features and exemplary design. The project has achieved LEED Gold pre-certification and EDGE Advanced preliminary certification. It is on track to achieve BERDE, EDGE and WELL certifications.

The Company's projects which are currently under Construction are also registered under various certification programs and are on-track to achieve multiple certifications:

- Sevina Park is a sustainable, innovative and highly integrated community, which will include students and faculty in the adjacent De La Salle University Science and Technology Campus and nearby schools. In 2022, Sevina Park received the distinction of being the first development to have been awarded BERDE 5-Star under the BERDE for Districts Rating scheme which applies to wide-scale horizontal development projects. Prior to that, Sevina Park was also recognized as the Philippines' first and only real estate development to have received the LEED Platinum pre-certification under the LEED ND category.

  For the Sevina Park Villas, the Company was able to secure LEED Platinum certification for the 4-Bedroom Villa Model Unit and is on track for LEED Gold certification for all 4-Bedroom Villas. The project is on-track to achieve EDGE Advanced for all Villa types.

  Una Apartments is the Company's first project catering to the broader mid-scale market. The project is on-track to achieve quadruple certification and is registered under the LEED, BERDE, EDGE and WELL certification programs.

  Sevina Park Arcades was launched in the last quarter of 2022. This area in Sevina Park offers commercial lots for sale and retail spaces for lease to service the requirements of the Sevina Park community.

- Lucima will be the first premier, multi-certified, sustainable residential condominium in Cebu City. The project is on-track to be the first in the country to achieve quadruple certification. It has achieved LEED Gold pre-certification and is registered under the BERDE, EDGE and WELL certification programs.

- Eluria, ALCO's low-density, sustainable, luxury residential development in Legazpi Village in the Makati CBD, was launched in Q4 2022. It has achieved LEED Gold pre-certification and is registered under the BERDE, EDGE and WELL certification programs.

Because of its commitment to sustainability, the Company has been consistently featured locally and internationally.

- ALCO was selected by the World Green Building Council, in partnership with BBC StoryWorks, to share its vision, story, and values to the world, in a series entitled *Building a Better Future.* Among the 33 organizations featured, ALCO was the only one from the Philippines. The 6-minute film called *Fighting Climate Change with Green Buildings* is featured under the section *Building Better Places for People* and may be seen through this link: http://www.bbc.com/storyworks/building-a-better-future/arthaland.

- The Company was also featured by the Business Reporter of the UK in their story entitled *Green Buildings that don't cost the Earth.* In this 6-minute video, ALCO has shown that it is possible to develop sustainable projects while still achieving profitability targets. Building sustainable legacies and taking care of the environment for future generations is a critical concept, and ALCO is committed to contributing to this cause. The feature can be accessed through this link: https://www.business-reporter.co.uk/responsible-business/green-buildings-that-dont-cost-the-earth.

- ALCO was given the award for Special Recognition for Sustainable Development by the Philippines Property Awards and Best Eco Property Developer by CFI.CO in 2018 and was awarded the Best Boutique Developer (Philippines) by the Asia Property Awards and the Philippines Property Awards in 2018.

- ALCO was also recognized as an EDGE Champion by the International Finance Corporation (IFC) in the recent EDGE Champions Summit Asia 2023, held in Singapore. EDGE Champions are companies who collaborate with IFC to accelerate the adoption of green building options in the respective markets.

With the completion of its flagship projects, the recent completion of Cebu Exchange and Savya Financial Center on time and within budget, significant progress on Sevina Park, Lucima and Eluria and the successful launch of the first two towers of Una Apartments, ALCO has further reinforced its brand equity and track record of developing best in class projects.

Strong, Hands-On and Committed Shareholders

ALCO's largest shareholders, CPG and AOCH1 represent groups that have substantial financial resources and track record. CPG is the investment vehicle of the Po Family and is an affiliate of the Century Pacific Group which has been established for over 40 years in food manufacturing and restaurant operations. The group owns some of the most valuable brands including Century Tuna, 555 and Argentina that are present in many households and popular restaurant chains such as Shakey's and Peri Peri. AOCH1 is an investment company which is part of the AO Capital Partners Group which was founded over 30 years ago and which was financial advisor and arranger for over 80 major transactions in the Asia Pacific region including the US$1.00 billion AIG Infrastructure Fund, US$15.00 billion Metro Manila toll road projects and ALCO Corporation itself.

Aside from the equity investment provided by ALCO's shareholders, Centrobless, an affiliate of CPG, also provided a non-interest-bearing loan to ALCO for ₱1.60 billion for the development of ACPT. Both CPG and AOCH1 are well represented in ALCO's management team that deliberates on day-to-day decisions and executes its plans. Please refer to Projects – Arthaland Century Pacific Tower on page [114] and Certain Relationships and Related Transactions on page [202] for further discussion on the interest-free loan facility provided by CPG which was repaid in full in 2018.

Highly Professional and Entrepreneurial Management Team with Extensive Experience

ALCO draws its strength from its management team consisting of highly experienced industry veterans from various real estate developers with a wealth of cumulative management experience in the Philippines and abroad. From its management team specializing in sales, development, design and engineering, ALCO draws a deep understanding of its customers and adapts best practices of established real estate developers to execute its plans.

Owing to this, ALCO's Arya, ACPT, Cebu Exchange and Savya Financial Center were constructed comfortably within budget and its on-going projects are likewise expected to be completed within budget. Market reception was very strong across all projects. Its flagship projects Arya Residences and ACPT are 100% sold and 100% leased out respectively. Its completed projects, Cebu Exchange and Savya Financial Center are 89% and 86% taken up respectively as of August 31, 2024. Likewise, the Company's projects under construction including Lucima, Eluria and Una Apartments were received well by the market because of the careful planning designed to provide products that are unique and are superior in quality.

ALCO also engages best-in-class partners such as construction companies, architectural and design firms, and quantity surveyors. As such, ALCO's projects are excellently executed and are at the forefront of modernity and technology.

ACPT was designed by the world-renowned New York based architectural firm, Skidmore, Owens & Merrill (SOM). The same group designed some of the world's most iconic buildings such as the Burj Khalifa, the tallest man-made structure ever built, and One World Trade Center in New York City. Similarly, ALCO works with a team of consultants who are the best in their respective fields for all of its on-going projects.

Carefully Assembled Development Portfolio

ALCO's projects are well-thought out and deliberate. Its approach to the development of its projects is inherently tied to the unique characteristics of the properties as well as the specific needs of its target market for each of the locations of its projects.

ALCO's project portfolio is uniquely positioned in both prime and upcoming locations around the Philippines, thereby allowing it to both realize values from buoyant prices in the central business districts of Bonifacio Global City (Arya and ACPT), Makati CBD (Makati CBD Residential Project 1 and Eluria), Arca South (Savya Financial Center) and Cebu (Cebu Exchange and Lucima*),* while allowing it to develop properties in emerging communities such as Biñan (Sevina Park Villas and Una Apartments), Tagaytay, and Calamba which is part of the high growth Calabarzon area. Laguna's urbanization is well underway, given significant infrastructure development in the area through the Cavite-Laguna Expressway and the presence of key urbanization drivers such as multiple technology parks, auto manufacturing plants and some of the largest IT BPO companies.

With the completion of its capital-raising programs in 2020, 2021 and 2022, the Company was able to take a long-term view towards property acquisition for larger properties which the Company can masterplan and develop in phases to ensure a steady pipeline of projects over a period of 10 to 15 years. It is in the final stages of acquisition of a 3.6-hectare property located at the gateway of one of the most prime CBDs in Metro Manila which will benefit from new transportation infrastructure from the government. ALCO is also negotiating for the acquisition of a 5-hectare property located in the middle of one of the most prime city centers in southern Philippines. On August 7, 2024, SLC signed a Memorandum of Agreement with the owners of a 3,700 sqm property in northern Metro Manila with the objective of acquiring the same under certain conditions. These properties will allow the Company to offer its unique, specially designed products to a broader market segment.

Prudent Financial Management

ALCO is taking the conservative path to growth through prudent financial management. ALCO's funding strategy for each of its projects uses a balanced approach which seeks to efficiently use financial leverage to optimize returns to its shareholders while ensuring that debt-to-equity ratios remain at conservative levels, i.e., well below industry averages and at ratios acceptable for bank financing. ALCO employs a very disciplined approach to ensure that each project is legally and financially ring-fenced from the other projects so that each project stands on its own merit. As a result, ALCO maintains a very strong financial position.

The Company exercises prudence in determining the capitalization structure for each of its projects. The average initial interest-bearing debt to equity for projects is between 1.5x to 1.86x and goes down as the projects start recognizing profit from sale of units. Despite this range of interest-bearing debt to equity mix at the project level, the Company strives to keep this to within its internal guidance cap of 1.50x at the consolidated level. As a result of this very deliberate and relatively conservative approach to the management of our debt and overall risk profile, the Company's debt to equity ratio under the loan covenants as of June 30, 2024 was reported as 1.76x at the consolidated level.

The Company diligently monitors market conditions to enable it to raise funding from capital markets to fund its growth. Notably, the Company's first tranche offering of the ASEAN Green Bond in 2020 was awarded Best Local Currency Green Bond under the category Deal of the Year – Real Estate in The Asset Triple A Sustainable Capital Markets Regional Awards 2020, while the second tranche issued in 2022 was awarded Green Project Deal of the Year under the category Best Deals – ASEAN in The Asset Triple A Sustainable Infrastructure Awards 2023. For over 20 years, The Asset Triple A Awards have been regarded as one of the most prestigious awards in banking, finance and capital markets in the Asian region. The recognition marks the issuance as the Philippines' first non-bank corporate issuance of ASEAN Green Bonds and highlighted the Company's trailblazing efforts in capital raising.

To further manage risk from its growth strategy, ALCO actively seeks out joint venture partners who, apart from contributing capital to the projects, are able to contribute strategic advantages to the projects. ALCO was able to successfully complete strategic partnerships with Mitsubishi Estate Co., Ltd. for the North Tower of Savya Financial Center, Arch SPV for Cebu Exchange, Arch SPV 2 for Lucima and Eluria, and Help Holdings, Inc., for the South Tower of Savya Financial Center. These partnerships are also discussed under "Establishing Strategic Partnerships" under "ALCO's Business Strategy" below. ALCO continues to be in active discussions with other potential strategic partners for its upcoming projects to allow it to mitigate risk and to benefit from contributions from its strategic partners during period of high growth.

Strong Fundamentals Resulting in Resilient Pandemic Response

The COVID-19 pandemic highlighted the importance of ALCO's strong fundamentals which allowed the Company to effectively respond to the challenges of the COVID-19 pandemic. By maintaining sufficient flexibility in its timelines and by closely coordinating with its top tier general contractors, the Company was able to deliver Phase 1 and initiate the handover of Phase 2 of Cebu Exchange and the North Tower of Savya Financial Center based on pre-pandemic schedules. The Company's leadership in sustainability and wellness resulted in strong continued interest in its projects as the pandemic brought these features to the forefront when buyers selected their workplaces and homes. The premium nature of the Company's development portfolio attracts high quality of buyers as well as established multinationals as tenants. Given these, the Company saw manageable default, cancellation rates and pre-termination rates across its projects during and after the COVID-19 pandemic. The Company continues to have the strong support from its banking partners, allowing it to maintain high levels of construction activities and to accommodate longer timeline to close sales for all our projects.

As a result of the above, the Company was able to take a long-term view towards property acquisition and new launches. Prior to the full lifting of restrictions resulting from the COVID-19 pandemic, ALCO successfully launched Lucima in July 2021, Una Apartments in Sevina Park in September 2022, and Eluria in November 2022. Because of its decision to proceed with the launch of these residential projects, ALCO was able to broaden its sources of revenue generating projects. To note, Lucima, Eluria and Una Apartments started contributing to consolidated revenues in 2022 and 2023 and Q1 2024 respectively. By continuing to work on these projects during the pandemic, the Company was able to secure a steady pipeline that will contribute to its revenues going forward.

ALCO'S BUSINESS STRATEGY

Growth and Diversification Strategy

With the success of its flagship residential and office projects, Arya and ACPT, ALCO was able to firmly establish its track record and to buttress its position as the foremost sustainable developer in the Philippines. ALCO proceeded to focus on further building its brand by growing its real estate portfolio.

Within 2024, ALCO expects to have a total of more than 456,000 sqm of GFA from the completed and current projects in its portfolio. Compared against the combined GFA of Arya and ACPT of approximately 110,000 sqm, this represents a growth multiple of 4.1x its portfolio in 2019 or an estimated compounded annual growth rate of 33%.

Of the target 456,000 sqm of developed GFA, the Company's on-going projects, including Cebu Exchange, Savya Financial Center, Sevina Park, Lucima and Eluria account for all the incremental GFA that ALCO expects to support its growth target. Thus, ALCO has already secured the location and is mobilizing its resources to increase visibility of the successful execution of its growth objectives by 2024.

The growth of the Company's development portfolio was pursued with the objective of arriving at a balanced mix of projects that will take advantage of opportunities brought about by the strong demand for commercial and residential space in established CBDs as well as opportunities in emerging high growth areas outside of Metro Manila.

Given these, ALCO uses a deliberate strategy of achieving an optimal mix of residential and commercial development in its portfolio. Of the expected 456,000 sqm portfolio by 2024, ALCO expects approximately 50% (about 228,000 sqm) to be in the commercial segment and the balance 50% in the broader mid-scale to ultra-luxury residential segment.

Within each of the commercial and residential sub-sectors, ALCO further plans to diversify its developments geographically to increase its presence in selected high growth urban areas. Of the approximately 228,000 sqm of planned developed GFA for the office segment, ALCO has deliberately allocated 59% to be outside Metro Manila through the Cebu Exchange project and the commercial component of Sevina Park. Of the rest that it plans to develop within Metro Manila, ALCO has further allocated its planned office projects among the key business districts in Fort Bonifacio and Arca South.

Similarly, in the residential segment, ALCO plans for about 60% of developed gross floor area by 2024 to be located outside Metro Manila through Sevina Park and Lucima while maintaining 40% of its residential portfolio within BGC and the Makati CBD area through Arya Residences and Eluria.

About 79% of our current product offerings cater to the upscale and luxury market segments, reflecting Arthaland's core strength. However, Arthaland has also established its presence in the broader mid-market segment through the launch of Una Apartments which offers sustainable and high-quality products at more affordable contract prices. This allows Arthaland to broaden the sources of demand for its portfolio.

Focused Mid-Term Land Acquisition Strategy

While the Company carefully executes the successful execution of its on-going projects, it is also preparing to ensure a steady pipeline of projects beyond 2024. To do this, the Company has put in place a focused land mid-term land acquisition strategy that will allow it to acquire larger properties in high growth urban areas which it can masterplan and develop in phases with the objective of maintaining a pipeline of projects beyond 2030. The land acquisition strategy also contains features that provide flexibility to the Company to allow it to manage the funding requirements for the acquisition over a comfortable period.

Over the past years, the Company engaged in negotiations with several landowners for this purpose. It has specifically identified three properties that meet its objectives. The Company is in the final stage of acquisition of a 3.6-hectare property located at the gateway to one of the most prime CBDs in Metro Manila and for a 5-hectare property in the middle of the most prime CBDs in southern Philippines. The development of these properties allows the Company to have a steady progression of revenues over the long-term.

In addition to properties that will support multi-phase, master-planned community projects, the Company's mid-term plans include the development of its 1,000 sqm property in the Makati CBD and acquisition of a 3,700 sqm property in northern Metro Manila, to develop single and dual-tower residential projects that will further add to revenues over the medium-term.

With the acquisition of these properties, the Company is expected to achieve approximately 979,000 sqm of total GFA in its portfolio and it will have the flexibility to manage the timing of the launches of various components within each project to support revenue growth while keeping development risks at a manageable level.

Providing a Superior Value Proposition by Maintaining High Quality of Projects

ALCO is acutely particular about maintaining the high quality for which its flagship projects are known. As a central focus of its strategy, ALCO will continue to position itself as a premium developer of sustainable projects and is committed to achieving green building certification for all its future projects. All of ALCO's projects will adhere to the key principles as listed below:

Thoughtful Planning and Space Management

Every aspect of an ALCO development is well-planned and well thought-out. Where applicable, ALCO creates multi-use spaces, i.e., flexible features that may be adapted to possible changes in the future.

For example, Lucima is carefully planned with health, safety and security in mind and is the ideal address heading into the future as residents will benefit from lower electric and water bills and improved indoor air quality. Each unit will have an Energy Recovery Ventilator (ERV) that will improve indoor air quality by bringing in fresh, filtered air while controlling the humidity for thermal comfort. The ERV is equipped with highly efficient air filters, the same grade used for laboratories, to prevent harmful microbes and pathogens from entering the space. Lucima also features airtight units to prevent sound and odor transmission between spaces, promoting better acoustic and indoor air quality.

Eluria, on the other hand, is designed with a unique floor plan that will include a maximum of only two units per floor with the elevator opening directly to the units thereby allowing for higher efficiencies in the usage of the building's gross floor area. The floor plan, tall ceilings, generous balconies and premium finishes in this development highlight exclusivity and urbanity. Mindfully planned and carefully composed, Eluria will feature both passive and active building design to lessen energy consumption resulting in at least 40% savings in electricity bills and reduce water consumption to achieve at least 20% savings in water bills.

Unique Features

The Company ensures that it exceeds buyers' expectations with well thought-out extra features that anticipate what matters most to its buyers. By doing so, ALCO's projects stand out from its competitors.

For example, Eluria was conceptualized with a vision towards personalized white glove services and concierge solutions. Eluria will have internationally trained hospitality staff that will be assigned to each unit and that will provide unparalleled round-the-clock services to households. They will be trained with world-class professional skills, qualities, and knowledge to ensure the satisfaction, comfort, and convenience of the building's residents.

Una Apartments are sold as completely furnished units. For this, ALCO also has collaborated with Ikea which will provide Ikea products for the bedroom, kitchen, living, dining, toilet and bath and utility areas. The Company looks forward to continued partnership with Ikea for its future projects.

Sevina Park will also be the first community to partner with The Medical City (TMC) so that the estate will have its own health and wellness clinic with a dedicated doctor and nurse available for free consultation. This unique tie-up will provide trusted care from the expertise of TMC's medical practitioners for its residents right within their neighborhood.

Quality Assurance

ALCO ensures that its customers get the best value for what they pay. It is a preference for the exceptional that allows the Company to gain and keep customers. The Company's every decision, from site selection to handover to its buyers, centers around quality and value. Instead of outsourcing property management for its projects, ALCO manages all its properties through its wholly-owned property management company to ensure that the developments consistently adhere to high standards.

With the completion of Cebu Exchange and the North and South Tower of Savya Financial Center, the Company intensified its focus on its property management services and re-branded its property management company to "Arthaland Prestige Property Solutions" ("**APPS**"). APPS aims to personify the ALCO brand of excellence by delivering superior property management services through its team of experts from different fields and with a core mission of enhancing measures that can promote sustainability developments and communities.

Operating Efficiency

Mindfully planned and carefully composed, the Company's projects seamlessly employ both passive and active strategies that will effectively lessen energy consumption resulting in at least 40% savings in electricity bills and reduce water consumption to achieve at least 20% savings in water bills. By using these strategies, the Company will be able to deliver on its commitment to decarbonize 100% of its portfolio by 2030. For instance, the 4-bedroom units in Sevina Park Villas feature solar panels in addition to passive energy savings features such as using glass panels to ensure an efficient building envelope.

ALCO also focuses on water conservation in its overall operating efficiency strategy. The Company makes sure to build in features in its developments to enable the residents and tenants to reduce water wastage, and thereby save on utility costs.

Enabling Technology

The Company uses the latest applicable technology and anticipates future developments to provide its customers maximum flexibility. The Company keeps itself updated with features that the market and the industry may require. It incorporates technologies that are most valuable to the customers while maintaining the flexibility by making provisions to allow it to adapt to future upgrades.

Healthy Living and Working Experience

ALCO seeks a balanced, more meaningful, and healthier lifestyle for the customers. The Company incorporates sustainable designs that foster better health and improved comfort such as natural daylight, shading from direct sunlight, fresh air intake, generous green areas and landscapes. These not only help promote more comfortable environments, but also decrease human dependence on energy to bring down operating costs. They also provide practical luxuries—features and amenities for recreation to deliver a well-rounded and a more complete development.

In 2020, the Company partnered with the IBWI which crafted the WELL Building Standard (WELL) to set a global benchmark and to certify buildings that promote and enhance the health and well-being of occupants. ACPT and Cebu Exchange have been awarded with the WELL Health-Safety Rating seal that proves the buildings' safe operations particularly during the COVID-19 pandemic. Savya has achieved WELL pre-certification while other projects under construction including Sevina Park, Lucima and Eluria are WELL-Registered and on-track to obtain the WELL Health-Safety Rating seal. The Company intends for all future projects to obtain the WELL Health-Safety Rating Seal as well.

Matching of Fixed Costs with Recurring Income

To mitigate risk, ALCO maintains a leasing portfolio which is targeted to substantially covers its fixed overhead costs when fully leased out. ALCO's leasing portfolio is currently composed of its retail units in Arya Plaza, the office units in ACPT, Courtyard Hall and 16,003 sqm of office and retail units in Cebu Exchange.

As part of its mid-term goal of growing its recurring revenues from leasing operations to 30% of its net income, ALCO will allot funds to further retain retail or office units in its projects. This is expected to provide additional lease revenues to its current portfolio of properties for lease.

Establishing Strategic Partnerships

As a key component to manage risks associated with its growth strategy, ALCO actively seeks out strategic partners for its projects. Apart from providing ALCO access to capital for its projects, the strategic partnerships provide access to additional capital and the development expertise of its partners. While the Company benefits from these, it continues to have control over the projects by maintaining majority representation in the BOD for each project company and by executing project management agreements between ALCO and each project company. As such, ALCO is the project development manager which provides services across all areas of the development including planning, design, construction, procurement, capital structuring, financing, customer accounts management, treasury and controllership. These project management agreements are more thoroughly discussed under "Material Agreements" in subsequent sections below.

In August 2019, ALCO signed an agreement with Mitsubishi Estates Co. ("**MEC**"), one of the largest real estate developers in Japan, for MEC's first venture in the Philippines. The agreement gives MEC a 40% stake in the North Tower of Savya as the initial project in what ALCO and MEC intend to be a continuing partnership over the long term.

ALCO also established strategic partnerships with Arch SPV 1 for Cebu Exchange, Help Holdings Inc., a strong local partner for the South Tower of Savya and Arch SPV 2 for Eluria and Lucima. Following the terms of the shareholder agreement between ALCO and Arch SPV for the Cebu Exchange project, ALCO was able to acquire the 40% share of Arch SPV in CLLC's common and preferred shares upon the substantial completion of Cebu Exchange in December 2021. This transaction allowed Arch SPV 1 to realize returns from its investment in Cebu Exchange while allowing the Company to consolidate full ownership over the project company given its further plans to strengthen its recurring income from leasing revenues by retaining units in Cebu Exchange. The agreements are more thoroughly discussed under "*Material Agreements*" in subsequent sections below.

In addition to the strategic partners which provide capitalization for the projects, the Company also builds partnerships with institutions to provide its buyers access to financing. For example, the Company's partnership with the Balai Berde financing program of the NHMFC allows its buyers to finance up to ₱6.00 million of the purchase price of their residential units with up to 30-year loans at a fixed preferential rate of as low as 3.0% pa on the condition that the projects in which these units are located have attained EDGE certification. Given that the Company's current residential projects are all registered and on-track to achieve

EDGE certification, the partnership with the NHMFC will potentially benefit all the Company's buyers for its residential projects.

PROJECTS

Arya

Arya is a 507-unit high-end residential project located at the corner of 8^{th} Avenue and McKinley Parkway, BGC, Taguig City. Arya is comprised of two towers. Tower 1 commenced construction in 2010, was completed in 2013, and was handed over to buyers in 2014. Tower 2's construction commenced in 2012 and was handed over in 2016. Both Tower 1 and Tower 2 are sold out. At the ground floor of Arya is Arya Plaza, a canopied al fresco destination area in which a curated selection of restaurants, cafes and other retail establishments is located. ALCO retains ownership over the Arya Plaza and recognizes lease income from it.

Arya is the first high-rise residential development in the country that has received a LEED Gold certification from the USGBC and 4-star certification from the PGBC. In 2020, Arya was also awarded with ANZ/PH 3-Star under the pilot program Advancing Net Zero Philippines. Arya remains the benchmark for residential green buildings in the Philippines.

Arya is the recipient of several international awards. The Southeast Asian Property Awards chose Arya as the Best Residential Development in the Philippines in 2012 and 2013 while the Asia Pacific Property Awards recognized Arya as the Best Residential High-rise Development in the Philippines for 2014-2015. The Inaugural Philippines Property Awards acknowledged Arya to be the Best Residential Development in Manila and the Best Residential Architectural Design in 2013 and 2014. Arya's first tower was awarded the Best Residential Interior Design by the same body in 2014.

Arthaland Century Pacific Tower

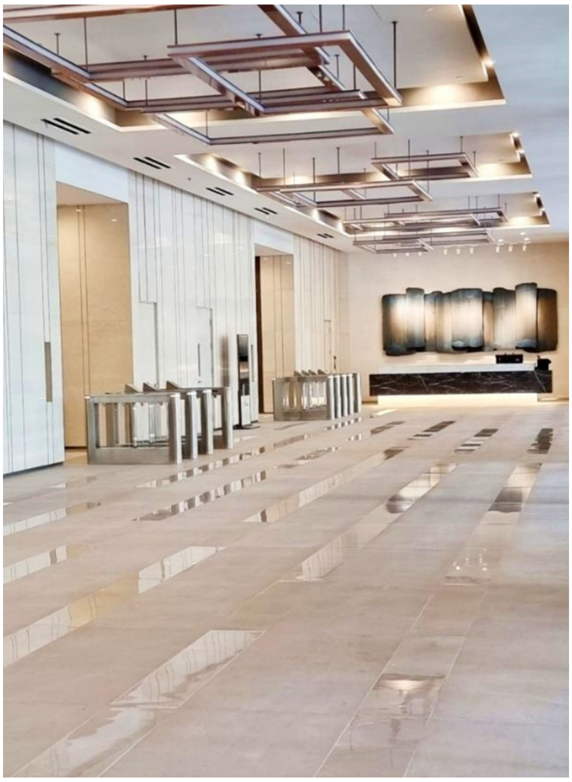
ALCO initiated the development of ACPT in 2014 and started operations in 2018. To date, the NLA of ACPT which is owned by ALCO is 100% leased out.

The construction of ACPT was partially funded by a non-interest-bearing loan from Centrobless Corporation, an investment vehicle of CPG and from Signature Office Property, Inc. ("SOPI"), an affiliate of the González family. In accordance with the terms of the loan agreements, Centrobless Corporation and SOPI chose to be repaid through the *dacion en pago* of office units in ACPT representing approximately 34% of NLA. As a result, the Company retains ownership over 21,089 sqm which represents approximately 66% of the 32,016 sqm of NLA of ACPT which will generate recurring lease revenues for the Company.

ACPT is one of the first premium-grade offices in BGC. The 30-storey premium-grade office building is located along the prime 5th Avenue within BGC's E-Square, along the street where The Shangri La at the Fort and the PSE are located. ACPT was designed by SOM New York, the same group that designed One World Trade Center and Burj Khalifa in Dubai. ACPT was recognized as the Best Green Feature Development by the Japan International Property Awards in 2019 and was 5-Star Winner for Best Office Architectural Design in Asia by the Asian Property Awards in 2017. ACPT also received awards for Best Green development, Best Office Architectural Design and Special Recognition of Sustainable Design by the Southeast Asian Property Awards in 2016. Finally, the Philippines Property Awards recognized ACPT as the Best Office Development in 2019 and Best Green Development in 2016, 2017 and 2019.

In September 2019, ACPT was recognized as the first Net Zero Carbon Project in the world certified under the EDGE Green Building Program of the IFC. This is in addition to the LEED Platinum rating and the BERDE 5-star certification which ACPT had achieved previously. These certifications are the highest and most prestigious categories in green building rating standards. Finally, the IBWI awarded ACPT with the WELL Health-Safety Rating seal which certifies the building's safe operations even during the COVID-19 pandemic.

Cebu Exchange



Cebu Exchange is built on an 8,440 sqm property located along Salinas Drive across the Cebu IT Park in Cebu City. It is a 38-storey office building with retail establishments at the ground level and lower floors. It is one of the largest and tallest office developments in Cebu with total NSA of almost 90,000 sqm. Cebu Exchange has achieved LEED Gold certification, BERDE Design 5-Star and was awarded the WELL Health Safety Rating Seal. It is on-track to achieve EDGE Zero Carbon certification under the IFC's EDGE program.

ALCO's design for Cebu Exchange gives it the flexibility to serve the varying needs of locators in Cebu: (i)the Cebu Exchange has a lower office zone of three levels with floorplates of around 5,900 sqm each and which is targeted to cater to larger BPOs that may benefit from consolidating their operations; (ii) it has a middle zone of nineteen levels with floorplates of approximately 3,400 sqm each, catering to conventional offices and BPOs; and (iii) a high zone of eight levels with floorplates of approximately 2,200 sqm each to cater to start-up businesses.

The development of the Cebu Exchange was initially undertaken by the Company in partnership with Arch SPV. In January 2016, Arch SPV subscribed to 40% of the outstanding shares of CLLC, ALCO's investment vehicle for the Cebu Exchange Project. Arch SPV is the investment vehicle of Arch Capital Management Company, Ltd. ("**Arch Capital**") which is a Hong Kong based private equity fund set up to pursue investments in Asian property markets, which are in strong growth phases such as China, India, and Thailand.

ALCO acquired Arch SPV's common shares in, preferred shares in and shareholder advances to CLLC on December 27, 2021 at the time when Cebu Exchange was substantially completed. This transaction is consistent with the investment period for Arch SPV as set forth in the shareholders' agreement between ALCO and Arch SPV. The transaction is also consistent with ALCO's commitment to Cebu Exchange and its intentions to retain office and retail units in the project to boost its recurring income from leasing operations.

In 2022, CLLC reclassified 8,059 sqm of office units, 2,628 sqm of retail units and 36 non-appurtenant parking slots from real estate for sale to investment properties following its intention to retain these units to generate recurring income from their lease to locators in Cebu Exchange. In 2023, CLLC identified an additional 5,316 sqm of office units from its inventory of real estate for sale to investment properties. CLLC reflected pre-tax fair value gains of approximately ₱954 million in 2022 and ₱605 million in 2023 because of the revaluation of these office, retail and parking slots from their carrying cost to their respective fair values in accordance with financial reporting standards.

Phase 1 of Cebu Exchange, covering areas from the basement to the 15th level and Phase 2, covering areas from the 16th level to the roof deck, successfully initiated handover to buyers in September 2020 and April 2022 respectively in accordance with their pre-pandemic delivery dates. As of August 31, 2024, ₱9.66 billion in reservation sales contracts have been executed for office and retail units in Cebu Exchange. These reservation contracts, together with the office and retail units that have been converted to investment properties, cover approximately 89% of the total NSA of Cebu Exchange.

Sevina Park

Sevina Park Master Plan

Sevina Park Villas, Villa Type B Model Unit and Neighborhood Pavilion

On September 8, 2016, ALCO, through its 100% owned subsidiary, Cazneau, acquired eight hectares of land adjacent to the *De La Salle University Laguna Complex* in Biñan from South Industrial Facilities, Inc. and YCLA Sugar Development Corp. The property is the site of Sevina Park which was envisioned to be the ideal suburban retreat for both growing families and empty nesters. The masterplan was completed by global design firm Sasaki and Associates of Boston. Today, Sevina Park is a sustainable mixed-use community with multiple components including designer villas, residential mid- rise buildings, commercial office buildings and supplemental retail amenities.

ALCO expects to fully develop Sevina Park in phases in step with the growth of the market demand and infrastructure in the area. The project directly benefits from the development of the Cavite Laguna Expressway that will connect with the Manila-Cavite Expressway at Kawit, Cavite and the South Luzon Expressway at Mamplasan, Laguna. This vital road infrastructure is expected to further spur the demand for residential housing, together with the development of complementary commercial sites and industrial parks.

In September 2018, ALCO started operations of the Courtyard Hall, a 348-bed dormitory which was constructed on approximately a 4,000 sqm lot within Sevina Park. The world-class facility primarily services students, faculty, and staff of the De La Salle University (DLSU) Laguna campus. The Company has an agreement with DLSU for the guaranteed lease of 200 in Courtyard Hall up to August 31, 2025.

In June 2019, ALCO launched the Sevina Park Villas which occupies approximately 3 hectares of the 8.1-hectare property. The Sevina Park Villas is a low-density residential development composed of 108 villas designed by Leandro V. Locsin and Partners. The villas are arranged into five blocks and each block is designed to have its own shared courtyard garden to provide residents generous green and open spaces for relaxation, convergence, and interaction.

Sevina Park is recognized as the Philippines' first and only real estate development in the country to have received the LEED Platinum pre-certification under the LEED ND category. Sevina Park also received the distinction of being the first development to have been awarded with BERDE 5-Star under the BERDE for Districts Rating scheme. Sevina Park's 4-bedroom villa model unit achieved LEED Platinum certification while all other 4-bedroom villas are on-track to achieve LEED Gold certification. All other villas are on-track for EDGE Advanced certification under the EDGE green building program.

As of August 31, 2024, Cazneau has executed sales reservation contracts amounting to approximately ₱1.80 billion covering approximately 81% of the NSA of the Sevina Park Villas have been executed. As of August 31, 2024, tranche 1, covering the first 43 villas is 96.8% complete. Tranche 2, covering the next 31 villas is 70.7% complete. Finally, tranche 3 covering the remaining 34 villas is 14.9% complete.

The regular installment sales for Sevina Park Villas include 5% downpayment, 15% monthly amortization over the construction period and final payment of 80% upon handover.

Una Apartments in Sevina Park

Una Apartments

Studio and One-bedroom model unit

Una Apartments is a five-tower residential development on approximately 2.6 hectares within the Sevina Park estate. It is designed to be ALCO's first foray into the broader mid-market segment with units priced at launch of approximately ₱5 million while maintaining high quality standards for which Arthaland is known. The mid-rise towers will have multiple sustainability certifications that will let its residents enjoy water and electricity savings by at least 20%.

One key feature of Una Apartments is that it is equipped with Energy Recovery Ventilator that improves indoor air quality by bringing in fresh, filtered air for its residents as well as controlling the humidity for thermal comfort. In addition, the units are all airtight to prevent sound and odor transfer between units. Finally, all units will have operable windows that optimize natural daylight and provide natural ventilation.
Una Apartments will include amenities that are aligned with the Company's vision of promoting health and wellness for all. These include a full-size swimming pool, kiddie pool, children's play area, grill area, function hall, fitness area, and a sunken garden. As with other ALCO developments, Una Apartments will have its own potager garden where residents will have access to organic produce. Finally, all units are delivered fully furnished with Ikea products for the bedroom, kitchen, living and dining area, toilet and bath, and the utility area.

The first tower of Una Apartments was launched in September 2022 and was substantially sold out by year-end 2023. Because of the very strong market reception for Una Apartments, the second tower was launched in November 2023.

As of August 31, 2024, the Company has already executed sales reservation contracts with a total value of ₱2.31 billion covering approximately 97% of the NSA for the first tower. The Company has also executed sales reservation contracts with a total value of ₱2.03 billion covering 59% of the total NSA for the second tower.

The construction of the first tower is on-going and is 23.9% complete as of August 31, 2024 while the second tower is expected to commence construction in Q1 2025. ALCO will launch succeeding phases of the residential towers that will cater to both the broader mid-market and upscale market from 2025.

The regular installment sales for Una Apartments include 0% to 5% downpayment, 15% to 20% monthly amortization over the construction period and final payment of 80% upon handover.

Sevina Park Arcades in Sevina Park

Sevina Park Arcades will serve as the commercial and retail component within the Sevina Park estate occupying approximately 2.6 hectares of the 8.1-hectare estate. It is composed of six commercial blocks of which, five were already sold as of August 31, 2024 with a combined contract price of ₱1.36 billion.

A portion of Sevina Park Arcades is envisioned to be developed into a retail space that includes that includes a supermarket and boutique establishments that will complement the everyday needs of the residents within Sevina Park.

Savya Financial Center

Savya Financial Center is a grade-A twin tower mid-rise office development with an integrated retail component. It is the new capital address for business and commerce in Arca South, Taguig City. The project is constructed on approximately 6,000 sqm of land with total GFA of approximately 60,000 sqm. Both the North and South towers of Savya Financial Center are designed and built with leading edge sustainable building features. Savya Financial Center has achieved LEED Gold pre-certification, WELL pre-certification and EDGE Advanced preliminary certification. It is on-track to achieve BERDE, EDGE and WELL certifications.

In October 2018, SLDC, which undertakes the development of the project, applied for the approval of its merger with Arcosouth Development Corporation ("Arcosouth") with SLDC as the surviving entity. Prior to the merger, Arcosouth was the registered owner of approximately 2,000 sqm of the 6,000 sqm property. The merger was intended to implement the joint development by SLDC and Arcosouth of the 6,000 sqm property as agreed between SLDC and Arcosouth. In August 2019, the SEC approved the merger between SLDC and Arcosouth.

The common shares of SLDC shall be owned 50-50 between Kashtha and the principal shareholder of Arcosouth following the terms of the shareholders' agreement between the two parties. The shareholders' agreement further states that the 50% ownership of Kashtha represents 100% of the economic interest in the North Tower of Savya while the 50% common shares held by Arcosouth's principal shareholders represents 100% economic interest in the South Tower of Savya. Under this arrangement, Kashtha is entitled to all the profits from and is responsible for all the funding requirements of the North Tower of Savya.

In August 2019, ALCO and Mitsubishi Estate Company, Limited (MEC), a corporation duly organized and existing under the laws of Japan, executed a joint venture agreement to invest in, establish and maintain a joint venture company to be owned 60% by ALCO and 40% by MEC. The joint venture company, Kashtha Holdings, Inc., was incorporated on October 1, 2019, and (i) acquired and, thereafter, owns and holds the 50% equity interest of ALCO in SLDC, thereby making Kashtha the direct 50% stockholder in SLDC, and (ii) acquired by assignment the shareholder's advances made by the Company to SLDC. Under the terms of the partnership, ALCO will take the lead in managing the operations of the project while MEC will offer its expertise to add value to the project.

MEC is one of the largest real estate companies in Japan and has over 100 years of experience in developing commercial, residential and retail properties. MEC has a substantial commercial and residential portfolio in Japan including over 30 major buildings with NLA of about 1.5 million sqm in the Marunouchi area, Tokyo's most premium central business district. MEC has likewise made substantial investments outside of Japan and has four regional headquarters: The Rockefeller Group in New York, Mitsubishi Estate London, Mitsubishi Estate Asia and Mitsubishi Estate Shanghai.

The North Tower of the Savya Financial Center was launched in February 2019. The North Tower initiated handover to buyers in January 2022, consistent with pre-pandemic delivery dates. The South Tower was inaugurated in October 2022. As of August 31, 2024, reservation contracts with a total value of approximately ₱5.6 billion and covering approximately 86% of the NSA of the North Tower units have been executed.

Lucima

Lucima building rendering and vicinity map

ALCO, through its subsidiary Bhavana, completed the acquisition of a 2,245 sqm property located at the corner of Cardinal Rosales Avenue and Samar Loop, inside the Cebu Business Park which is the foremost business district of Cebu City. The property is currently being developed into Lucima which will be the first premier, multi-certified, sustainable residential condominium in Cebu City.

The project is envisioned to be the first in the country to achieve quadruple certification including LEED, BERDE, EDGE and WELL certifications from USGBC, PGBC, IFC and IWBI. It is pre-certified LEED Gold and on-track to achieve BERDE, EDGE and WELL certifications. Lucima is directly across the Ayala Center Cebu mall and other prominent business, commercial, and lifestyle destinations.

Designed by Saraiva + Associados, an internationally renowned architectural firm based in Lisbon, Portugal, Lucima features 265 residential units and will have a gross floor area of approximately 28,000 sqm. Saravia + Associados' human-centered design approach puts comfort, functionality, and aesthetics at the center of every project they undertake. Each unit boasts a high floor-to-ceiling height of 2.4 meters, and residents can enjoy a view of the ocean, the mountains, or the city.

Lucima was launched in July 2021 and has been enjoying strong market reception since then. On December 27, 2021, ALCO sold 40% of its common shares in and shareholder advances to Bhavana to Arch SPV 2. Under the terms of the Investment Agreement between the parties, ALCO retains control over the project as the project development manager and as Bhavana's majority shareholder.

As of August 31, 2024, reservation contracts with a total value of approximately ₱4.93 billion covering approximately 89% of Lucima's NSA have been executed. Lucima achieved structural top-off in September 2023. Construction's physical accomplishment is at 77.9% as of August 31, 2024 and is on-track to commence handover by Q4 of 2024.

The regular installment sales for Lucima include 5% to 10% downpayments, 10% to 20% monthly amortization over the construction period and final payments of 70% to 80% upon handover.

Eluria

Eluria building rendering

In 2020, ALCO, through its subsidiary, Bhavya, completed the acquisition of a 916 sqm property in Legazpi Village, Makati City. The property is currently being developed into Eluria, ALCO's pioneer residential project in Makati City which will be a low-density, multi-certified, ultra-luxury development that will offer limited edition designer residences.

Eluria will be 100% certified as sustainable. The building has been pre-certified LEED® Gold and is vying for BERDE and WELL™ certifications. It will be the first multi-certified residential development of its kind and scale within Metro Manila. Individual units are also vying for EDGE® certification. Once completed, its future residents will enjoy exceptional white glove butler services. The project offers only 37 residential units and will have a total gross floor area of approximately 14,600 sqm.

On December 27, 2021, ALCO sold 40% of its common shares in and shareholder advances to Bhavya to Arch SPV 2. Under the terms of the Investment Agreement between the parties, ALCO retains control over the project as the project development manager and as Bhavya's majority shareholder.

Eluria was launched in November 2022. As of August 31, 2024, reservation contracts with a total value of approximately ₱2.07 billion covering approximately 37% of Eluria's NSA have been executed. Eluria is 28.4% complete as of August 31, 2024. It is scheduled to achieve structural top-off by Q4 2024 and is on-track for completion by Q4 2025.

The payment terms for Eluria units typically include 10% downpayment, 10% monthly amortization over the construction period and final payment of 80% upon handover.

Makati CBD Residential Project 1

The Company, through its wholly-owned subsidiary, ZLDC, acquired CCTs corresponding to condominium units with a combined area representing 47.4% of the total area of the condominium units in Midland Mansions Condominium while another party acquired CCTs that represent the remaining 52.6%. As a result, ZLDC effectively had an undivided interest over 47.4% of the property on which the Midland Mansions Condominium stands. ZLDC and the other party are currently in the process of partitioning the property to enable Zileya to have 100% ownership over 47.4% of the land area of the property which corresponds to 957 sqm out of the 2,018 sqm total lot area. Once the partitioning is completed, the Company plans to develop it into a high-rise luxury, sustainable, multi-certified residential project. ALCO expects to launch the project by Q2 2025.

Project Olive

ALCO is in the final phase of the acquisition of a property with a gross land area of 3.6 hectares located at the entry of one of the most prime CBDs in Metro Manila. The property is expected to benefit substantially from existing and upcoming public infrastructure in the area. The property is expected to result in 2.6 hectares of land net of road lots that are included in the GLA.

ALCO plans to develop the property into a boutique master planned mixed-use community with quadruple certification from the LEED, BERDE, EDGE and WELL certification programs of the USGBC, PGBC, IFC and Well Institute. Based on initial plans, the project will feature twelve residential towers that will cater to both the upscale and midscale markets as well as some retail or commercial segment to support the residents of the area. The twelve residential towers are scheduled to be launched in phases from 2025 to 2038 and subsequently completed beginning 2029 for the first tower. As such, Project Olive is expected to support the Company's objective of maintaining a continuous pipeline of projects.

Project Vanilla (previously Project Midtown)

ALCO is negotiating for the acquisition of a 5-hectare property in the middle of the most prime city center area in southern Philippines. The acquisition program will be executed jointly with another party and is structured so that each of ALCO and the other party will own 50% of the property after completion of the masterplan and site development works. Further, the acquisition program is expected to be completed between 2024 to 2027 to manage funding requirements over time.

ALCO plans to develop the property over multiple phases to provide a steady pipeline of projects which will contribute to the revenues of ALCO over the long-term. Project Vanilla is envisioned to be a sustainable master planned community and will include six residential condominium towers. ALCO expects to launch the towers in phases from 2025 to 2034. Completion of the towers is likewise expected to be achieved in phases beginning 2030.

Project Teal

ALCO through its wholly-owned subsidiary SLC is acquiring a 3,700 sqm residential property located in northern Metro Manila. SLC signed a MOA with the owners of the property on August 7, 2024. ALCO intends to develop the property into Project Teal, which is envisioned to be a sustainable two-tower, high-rise residential condominium. The first tower is targeted for launch in Q2 2025. Completion of the first tower is expected in 2029 while the second tower is expected to be completed in 2031.

Aside from the projects mentioned above, ALCO is actively evaluating acquisition targets in the business districts of Makati, BGC, and other emerging cities. ALCO will disclose material acquisitions, as they become definite, to its stakeholders through PSE and SEC.

RELATIVE CONTRIBUTION TO REVENUES PER PRODUCT

The following shows the relative contribution to total revenues for the full year ended 2023 and the six-month period ended June 30, 2024 from each project as described above:

Amounts in ₱ million	**Year-ended 2023**	**6 months ended June 2024**
Revenues from sale of units:		
Savya Financial Center	2,393	142
Lucima	1,512	480
Cebu Exchange	986	515
Sevina Park	795	418
Eluria	566	308
Una Apartments	-	484
Total Revenues from sale of units	6,252	2,347
Lease Revenues:		
ACPT	329	176
Cebu Exchange	16	18
Courtyard Hall	15	7
Arya Plaza	6	10
Total Lease Revenues	366	211
Project Management Fees	21	13
Total Revenues	**6,639**	**2,571**

The percentage contribution to revenues and net income of foreign sales in ALCO's projects is not significant as of full year December 31, 2023 and for the six-month period ended June 30, 2024 .

ESTIMATED REVENUES PER PROJECT

The following table shows the estimated revenues per project for various periods. These estimates are forward-looking statements based on assumptions regarding ALCO's present and future business strategies and may be subject to significant risks and uncertainties.

Amounts in ₱ million	**Period Covered**	**Estimated Revenues in ₱ million**
ACPT	2018 to 2024	2,263.8
Cebu Exchange	2018 to 2025	12,426.9
Savya Financial Center	2019 to 2025	5,892.9
Sevina Park	2018 to 2040	21,161.3
Lucima	2022 to 2025	4,896.2
Eluria	2023 to 2026	5,384.1

Makati CBD Residential 1	2026 to 2029	5,200.8
Project Teal	2026 to 2031	10,317.1
Project Olive	2026 to 2043	101,688.3
Project Vanilla	2026 to 2038	47,487.2

VALUE OF INVENTORY AVAILABLE FOR SALE

The following table shows the estimated value of inventory available for sale as of June 30, 2024 for its on-going projects. These estimates are forward-looking statements based on assumptions regarding ALCO's present and future business strategies on pricing and may be subject to significant risks and uncertainties. The table below summarizes the status, the value of inventory available for sales in projects and the percentage ownership of ALCO in each of the subsidiaries which undertake each of the projects:

Company	Project	% Ownership of ALCO	% Completion	Value of inventory remaining
CLLC	Cebu Exchange	100%	100%	1,032.0
Kashtha and SLDC	Savya North Tower	60%	100%	1,004.9
	Savya South Tower	0%*	100%	NA
Cazneau	Sevina Park Villas	100%	Tranche 1 – 96.8% Tranche 2 – 70.7% Tranche 3 – 14.9%	520.7
Cazneau	Una Apartments Tower One	100%	23.9%	160.0
Cazneau	Una Apartments Tower Two	100%	Launched	1,534.1
Cazneau	Sevina Park Arcades	100%	Site development substantially completed	353.1
Bhavana	Lucima	60%	77.9%	550.1
Bhavya	Eluria	60%	28.4%	3,960.9
Total				**9,115.8**

**98.5% of the shares of SLDC is currently registered under Kashtha pending the completion of the capital reorganization of SLDC which will result in Kashtha owning 50% of SLDC's common shares. The shareholders' agreement for SLDC states that the 50% ownership of Kashtha in SLDC represents 100% of the economic interest in the North Tower of Savya while the 50% common shares held by Arcosouth's principal shareholders represents 100% economic interest in the South Tower of Savya.*

STATUS PER PROJECT

The following table summarizes the status of each project as of August 31, 2024:

	Project Status	Availability of Funds Required for the Project
Arya Residences	Completed and 100% sold	NA
Arya Plaza	Completed and leased out	NA
ACPT	Completed and 100% of ALCO-owned floors leased out	Debt and equity funding required to complete the project are in place
Cebu Exchange	Overall physical accomplishment: 100%	

	Project Status	Availability of Funds Required for the Project
	Phase 1 (Basement to Level 15) • Handover to buyers completed in September 2020 as scheduled Phase 2 (Basement to Level 16 to top floor) • Initiated handover to buyers in April 2022 as scheduled	Debt and equity funding required to complete the project are in place

Sevina Park	Construction of Sevina Park Villas in various stages of progress
	• Phase 1: Courtyard Hall – 100% Completed in 2018
	• Phase 2: Villas
	  ○ Overall site development: 70.15%
	  ○ Construction completion for Tranche 1 of Villas: 96.76%
	  ○ Construction completion for Tranche 2 of Villas: 70.67%
	  ○ Construction completion for Tranche 3 of Villas: 14.91%
	  ○ Amenities and pavilion: 97.89%
	• Phase 3: Apartments
	  ○ Una Apartments, first two towers of the mid-rise residential condominiums, launched in September 2022 and November 2023
	  ○ Construction completion for the first tower of Una Apartments: 23.87%
	• Phase 4: Commercial
	  ○ Substantially completed.
		Debt and equity funding required to complete the project are in place

Savya Financial Center	• North Tower
	  ○ Initiated handover to buyers in January 2022
	  ○ Physical accomplishment: 100%
	• South Tower
	  ○ Physical accomplishment: 100%
	  ○ Initiated handover in December 2022
		Debt and equity funding required to complete the project are in place

Lucima	• Physical accomplishment: 77.86% • Estimated completion by Q4 2024	Debt and equity funding required to complete the project are in place

	Project Status	Availability of Funds Required for the Project
Eluria	• Physical accomplishment: 28.37% • Estimated completion by Q4 2025	Debt and equity funding required to complete the project are in place
Makati CBD Residential 1	• Currently undergoing process to partition the property to have separate title for 47.4% acquired by the Company	₱270.00 million equity required from ALCO is in place. Term loan of ₱836.00 million and additional equity from strategic partner amounting to ₱180.00 million. Agreement for the term loan is expected by H2 2024 while the agreement for the JV partnership is expected to be in place by Q2 2025.
Project Olive	• Signed agreement for land acquisition is in place • Expected launch of first tower in Q2 2025	₱1.70 billion equity required from ALCO is in place. Additional term loan of ₱5.00 billion and funding from a strategic partner amounting to ₱1.00 billion are required to complete the project. Agreement for the term loan is expected by H2 2024 while agreement for the JV partnership is expected by Q1 2025.
Project Vanilla	• Signed agreement for land acquisition is in place	₱1.00 billion equity required from ALCO is in place. Additional term loan of ₱3.50 billion and funding from a strategic partner amounting to ₱0.70 billion are required for the project. Agreement for the term loan is expected by H2 2025 while the agreement for the JV partnership is expected to be in place by Q4 2024.
Project Teal	• Signed agreement for land acquisition is in place	₱630.00 million equity required from ALCO will be sourced from this offer. Additional term loan of ₱1.95 billion and funding from a strategic partner amounting to ₱420.00 million are required to complete the project. The agreements for these are expected to be in place by H2 2025

MATERIAL AGREEMENTS

1. Project Management Contracts

Project Management Agreement between ALCO and CLLC

A Project Management Agreement was entered into by ALCO and CLLC for the development of Cebu Exchange (referred to in the Agreement as the “Project”) on March 20, 2018. Under the Agreement, ALCO was engaged to develop the Project, provide management services, and supervise and direct the implementation of project development and construction, marketing operations, sales and sales administration, and back-office support until the completion of the Project. As consideration for these services, ALCO is entitled to receive Developer’s Cost and Project Management Fee.

Project Management and Marketing Agreement between ALCO, SLDC, and Arcosouth

A Project Management and Marketing Agreement was entered into by ALCO, SLDC, and Arcosouth for the development of Savya Financial Center (referred to in the Agreement as the “Project”) on January 31, 2019, with ALCO as Developer of the land registered in the names of SLDC and Arcosouth. ALCO was engaged to develop the Project, provide management services, and supervise and direct the implementation of project development and construction, marketing operations, sales and sales administration, and back-office support until the completion of the Project.

It was also provided that in the event that the business plans or agreements among the parties are terminated for any reason, the Agreement between ALCO, SLDC, and Arcosouth shall terminate automatically.

Project Management Agreement between ALCO and Cazneau

A Project Management Agreement was executed by ALCO and Cazneau for the development of Sevina Park (referred to in the Agreement as the “Project”) on December 28, 2020. Under the Agreement, ALCO was appointed as Project Development Manager for the Project. In consideration of these services, ALCO is entitled to receive Developer’s Cost of ₱285.60 million and Project Management Fee of ₱503.70 million which shall be payable in tranches from 2021 to 2029.

Project Management and Marketing Agreement between ALCO and Bhavya

A Project Management Agreement was executed by ALCO and Bhavya for the development of Eluria (referred to in the Agreement as the “Project”) on January 27, 2021. Under the Agreement, ALCO was appointed as Project Development Manager for the Project. In consideration of these services, ALCO is entitled to receive Developer’s Cost of ₱69.2 million and Project Management Fee of ₱138.8 million which shall be payable in tranches from 2021 to 2024.

On February 28, 2023, ALCO and Bhavya executed an Amendment to the Project Management Agreement as follows:

(1) ALCO shall be entitled to Project Management Fee of ₱208.1 million of which ₱106.6 million had already been paid as of the date of the Amendment;

(2) All references to Developer’s Cost were deemed deleted as of the date of the Amendment; and

(3) Except as described above, all other provisions in the Project Management Agreement dated January 27, 2021 remained valid and binding among the parties.

Project Management and Marketing Agreement between ALCO and Bhavana

A Project Management Agreement was executed by ALCO and Bhavana for the development of Lucima (referred to in the Agreement as the “Project”) on January 27, 2021 which was further amended on September 28, 2021. Under the Agreement and the subsequent amendment, ALCO was appointed as Project

Development Manager for the Project. In consideration of these services, ALCO is entitled to receive Developer's Cost of ₱92.8 million and Project Management Fee of ₱135.4 million which shall be payable in tranches from 2021 to 2024.

As Project Development Manager for Sevina Park, Eluria and Lucima under the Project Management Agreements and subsequent amendments executed between ALCO and each of Cazneau, Bhavya and Bhavana for these projects respectively, ALCO's scope of services include supervision, direction and implementation of the following: (1) management of the business plan, (2) project design and construction, (3) project procurement, (4) project cost management, (5) sales and marketing operations, (6) sales administration and account documentation, (7) capital structuring and project financing and (8) corporate support services including finance and accounting, human resources, legal, customer services and information technology and process automation.

2. Partnership Agreements

Shareholder Advance Agreement between ALCO and CLLC

- On December 23, 2021, ALCO and CLLC executed a Shareholder Advance Agreement wherein ALCO agreed to advance the principal amount of ₱900,000,000.00 into CLLC which funds shall be used by CLLC exclusively to refinance the principal amortization for 2021 under the PNB OLSA amounting to ₱900,000,000.00 which fell due in May 2021, August 2021 and November 2021. The advance carries an interest rate of 3.5% and is subordinated to any amounts outstanding under the PNB OLSA.

- In April 2022, ALCO and CLLC executed a Shareholder Advance Agreement wherein ALCO agreed to advance the principal amount of ₱1,100,000,000.00 into CLLC. The advance carries an interest rate of 3.5% and ranks pari-passu with other advances to and loans of CLLC.

Merger between SLDC and Arcosouth

In October 2018, SLDC filed with the SEC its application for the approval of its merger with Arcosouth. Following the SEC's approval of the merger on August 22, 2019, the ownership over approximately 6,000 sqm of property in Arca South, composed of the approximately 4,000 sqm registered under SLDC and the approximately 2,000 sqm registered under Arcosouth, was consolidated under SLDC. The property is the site of the North and South Towers of Savya Financial Center.

JV Agreement between ALCO and Mitsubishi Estates Corporation

In August 2019, ALCO and Mitsubishi Estate Company, Limited (MEC), a corporation duly organized and existing under the laws of Japan, executed a joint venture agreement to invest in, establish and maintain a joint venture company ("JV Company") to be owned 60% by ALCO and 40% by MEC which (i) acquired and, thereafter, owns and holds the 50% equity interest of ALCO in SLDC, thereby making the JV Company the direct 50% stockholder in SLDC, and (ii) acquired by assignment the shareholder's advances made by the Corporation to SLDC.

Shareholders' Agreement and Memorandum of Agreement between ALCO (Kashtha) and ALCO's Filipino strategic partner for SLDC (HHI)

On October 11,2019, ALCO and Help Holdings, Inc., the principal shareholders of Arcosouth, executed a Shareholder's Agreement and a Memorandum of Agreement which contain the key principles of the parties' 50-50 sharing in the returns from the development of North and South Tower of the Savya Financial Center including the following, among other provisions:

- SLDC shall have two classes of common shares, Common A and Common B shares, each representing 50% of the total common shares of SLDC.

- Kashtha shall subscribe to 100% of Common A shares while HHI shall subscribe to 100% of Common B shares.

- All profits or losses in relation to the North Tower of Savya Financial Center ("North Tower) shall accrue to the Common A shares. Kashtha is responsible for ensuring that there is sufficient funding to complete the development of the North Tower.

- All profits or losses in relation to the South Tower of Savya Financial Center ("South Tower") shall accrue to the Common B shares. HHI is responsible for ensuring that there is sufficient funding to complete the development of the South Tower.

- The agreements require KHI to divest from its shareholding in SLDC upon the sale of 100% of office and retail units but in no case later than July 31, 2023 (the "Long Stop Date").

On February 8, 2023, KHI, HHI and ALCO executed a letter agreement extending the Long Stop Date to December 31, 2023.

On February 2, 2024, KHI, HHI and ALCO executed a letter agreement to further extend the Long Stop Date to December 31, 2024.

Investment Agreement between ALCO and Arch SPV 2 for Bhavya and Bhavana

On December 23, 2021, ALCO and Arch SPV 2, an investment vehicle of Arch Capital, entered into an Investment Agreement covering the following in relation to Bhavana and Bhavya:

(1) Sale by ALCO and purchase by Arch SPV 2 of 40% of ALCO's common shares in and shareholder advances to each of Bhavana and Bhavya subject to the following terms:

   1) Selling Price: ₱516 million:

   2) Payment terms:

      a) Tranche 1 amounting to ₱466.8 million payable as follows:

         i) ₱233.4 million on closing date ("Closing Date")

         ii) ₱233.4 million at the end of six months from Closing Date

      b) Tranche 2 amounting to ₱49.2 million payable as and when Arch SPV achieves an internal rate of return of at least 22% pa from its investment in Bhavana and Bhavya following distributions to Arch SPV from Bhavana and Bhavya by way of dividends or repayment of contributions by way of shareholder advances and paid-up capital to Arch SPV 2.

(2) Mutual agreement as to the rights and obligations of each of ALCO and Arch SPV 2 regarding the governance and management of Bhavana and Bhavya, including, among others, provisions establishing funding obligations, initial capitalization, transfer of shares, meetings of shareholders and composition of the Board of each of Bhavana and Bhavya.

On December 27 2021, the parties executed agreements to achieve closing for the above transaction, which included, among others:

(1) Deed of Assignment of 40% of ALCO's shareholder advances to Bhavana inclusive of all accrued interest thereon to Arch SPV 2 in exchange for a consideration amounting to ₱248,000,000.00 of which ₱111,700,000.00 was paid in cash by Arch SPV 2 to ALCO on Closing Date and the balance shall be paid as follows: (i) ₱111,700,000.00 payable on June 27, 2022 and (ii) ₱24,600,000.00 shall be payable as and when Arch SPV achieves an internal rate of return of 22% pa;

(2) Deed of Assignment of 40% of ALCO's shareholder advances to Bhavya inclusive of all accrued interest thereon to Arch SPV 2 in exchange for a consideration amounting to ₱248,000,000.00 of which ₱111,700,000.00 was paid in cash by Arch SPV 2 to ALCO on Closing Date and the balance shall be paid as follows: (i) ₱111,700,000.00 payable on June 27, 2022 and (ii) ₱24,600,000.00 shall be payable as and when Arch SPV achieves an internal rate of return of 22% pa;

(3) Deed of Absolute Sale over 40% of ALCO's common shares in Bhavana to Arch SPV in exchange for a consideration amounting to ₱10,000,000.00 of which ₱5,000,000.00 was paid by Arch SPV on Closing Date and ₱5,000,000.00 is payable on June 27, 2022; and

(4) Deed of Absolute Sale over 40% of ALCO's common shares in Bhavya to Arch SPV in exchange for a consideration amounting to ₱10,000,000.00 of which ₱5,000,000.00 was paid by Arch SPV on Closing Date and ₱5,000,000.00 is payable on June 27, 2022.

Arch SPV remitted ₱229,230,887.32 to ALCO in full payment of the ₱233,400,000.00 remaining balance on Tranche 1 of the agreed purchase price for the common shares sold by and shareholder advances assigned by ALCO to Arch SPV net of an agreed adjustment to the purchase price amounting to ₱4,169,112.68 which arose from additional taxes paid by Bhavana and Bhavya.

On August 5, 2022 the parties executed the Amendment to the Investment Agreement to document the adjustment to the purchase price on the transaction following additional taxes paid by Bhavana and Bhavya after Closing Date.

Memorandum of Agreement with De La Salle University for Courtyard Hall in Sevina Park

On January 11, 2024, Cazneau Inc. and De La salle University – Manila, Inc. executed a Memorandum of Agreement for the guaranteed lease of 200 beds out of the 348 beds in Courtyard Hall at Sevina Park. The agreement is binding for the academic year 2023-2024 starting on September 1, 2023 to August 31, 2024.

In August 2024, Cazneau Inc. and De La Salle University – Manila, Inc. have agreed to continue the arrangement with DLSU for the guaranteed lease of 200 beds out of the 348 beds in Courtyard Hall for DLSU's academic year 2024-2025 starting on September 1, 2024 to August 31, 2025.

3. Loan Agreements

Term Loan Agreement between ALCO and BDO Unibank, Inc. ("BDO")

On February 14, 2020, the Company and BDO entered into a Term Loan Agreement ("BDO Term Loan") where BDO made available to the Company a loan facility of up to ₱1,000,000,000 which the Company drew in full in March 2021. The BDO Term Loan constitutes direct, unconditional, unsubordinated and unsecured obligation of the Company. The proceeds from the BDO Term Loan were used entirely to finance ALCO's eligible green projects for the purpose of land banking, additional investment and refinancing. The BDO Term Loan is payable in one lumpsum payment on its maturity date.

Omnibus Loan and Security Agreement between ALCO and BDO Unibank, Inc. ("BDO")

On April 15, 2015, the Company and BDO entered into an Omnibus Loan and Security Agreement (the "OLSA") where BDO made available to the Company a loan facility of up to ₱2,000,000,000, subject to the terms and conditions of the said agreement. The loan facility was obtained to partially finance the cost of the construction and development of the Arthaland Century Pacific Tower on a parcel of land with an area of 2,233 sqms located at Block 5, Lot 5, 30th Street corner 5th Street Bonifacio Global City, Taguig City. The Company has fully drawn the loan facility.

Further, the loan is secured by first ranking and continuing real estate mortgage over present and future real estate assets in relation to the lot and building for the Arthaland Century Pacific Tower and a security trust agreement covering revenue and operating accounts, project receivables and project agreements (including EPC contracts, lease contracts, operations and management contracts and insurance agreements).

The OLSA was amended on March 22, 2021 to include a revision on the affirmative covenant of the Borrower. Under the amended OLSA, the Borrower covenants and agrees to maintain a Debt-to-Equity Ratio of not more than 2:1 and a Current Ratio of not less than 1.5:1.

Guidance Line for Term Loan Facility Letter from Philippine National Bank ("PNB") to ALCO

On October 28, 2021, PNB issued a Facility Letter to the Company where PNB made available to the Company a Guidance Line for Term Loan Facility of up to ₱500 million which was subsequently increased to ₱1.0 billion through the execution of a Loan Agreement on December 13, 2022, subject to the terms and conditions of the said Loan Agreement. The loan facility was obtained to partially finance ALCO's capital expenditures and working capital requirements and is payable at the end of three years. The loan facility is secured by the following:

a) Third party mortgage over nine retail units in Arya Tower 1 and 2 located at Block 4 corner 8th Avenue, McKinley Parkway, Fort Bonifacio Global City with Manchesterland as third-party mortgagor and registered owner

b) Unregistered mortgage over 92 parking slots in Arya Tower 1 and 2 located at Block 4 corner 8th Avenue, McKinley Parkway, Fort Bonifacio Global City with Manchesterland as third-party mortgagor and registered owner and ALCO as mortgagor and registered owner

As of August 31, 2024, this facility has been fully drawn by Arthaland.

₱1.43B Standby Term Loan and P200M Facility Letter from Bank of the Philippine Island ("BPI") to ALCO

On October 28, 2022, BPI granted (1) a ₱1.85 billion standby term loan facility and (2) a ₱200 million revolving promissory note line (RPNL) both of which are available for drawdown by ALCO or any of its subsidiaries. Following this, ALCO allocated to each of Bhavana, Bhavya and Savya the amounts of ₱250, ₱500 and ₱300 million short term loan/RPNL facilities, respectively, with BPI as the lender.

On June 11, 2024, BPI amended the credit facilities to (1) a ₱1.43 billion standby term loan facility and (2) a ₱200 million revolving promissory note line (RPNL) both of which are still available for drawdown by ALCO or any of its subsidiaries. From these facilities, ALCO allocated to each of Bhavana, Bhavya and Savya the amounts of ₱100, ₱440 and ₱300 million short term loan/RPNL facilities, respectively, with BPI as the lender.

As of August 31, 2024:

- Bhavana has ₱100 million outstanding under the short-term loan/RPNL facility with BPI;

- Bhavya has ₱296.5 million outstanding under the short-term loan/RPNL facility with BPI; and

- SLDC has ₱300 million outstanding under the short-term loan/RPNL facilities with BPI has been fully drawn.

₱1.44B Term Loan between SLDC and BDO

On August 13, 2021, SLDC executed a Facility Agreement for a ₱1,440,000,000.00 term loan facility for SLDC which was available in single or multiple drawdowns up to May 14, 2022. The term loan facility is payable based on a quarterly principal repayment schedule beginning on February 28, 2022 up to its maturity date on August 29, 2023.

The term loan is secured by the following:

1. A real estate mortgage over 50% of the land on which the North and South Towers of Savya Financial Center are being developed, covered by TCT 164-20180000374 and a portion corresponding to 848 sqm of the land covered by TCT 164-2018000375. This was documented by a Real Estate Mortgage Agreement executed on August 13, 2021 with SLDC as mortgagor and BDO as mortgagee, and

2. Continuing suretyship of ALCO in the amount of ₱720,000,000.00 documented by a Continuing Suretyship Agreement executed by ALCO in favor of BDO on August 13, 2021.

The ₱1.44B term loan was fully drawn by SLDC and was used to prepay the ₱1.44B outstanding loan under the OLSA between SLDC and BPI.

SLDC repaid the term loan in full on August 29, 2023.

Real Estate Mortgage Agreement for ₱1.8 billion term loan of ALCO's Filipino strategic partner

On August 4, 2021, SLDC, as third-party accommodation mortgagor, and BDO, as mortgagee, executed a Real Estate Mortgage Agreement to secure the ₱1.8 billion term loan of ALCO's Filipino strategic partner. The real estate mortgage covers 50% of the land on which the North and South Towers of Savya Financial Center are being developed, covered by TCT 164-2018000713 and a portion corresponding to 1,077 sqm of the land covered by TCT 164-2018000375. The proceeds of the loan will be used by ALCO's Filipino strategic partner to infuse into SLDC which SLDC will use to partially fund the development cost of the South Tower of Savya Financial Center.

Omnibus Loan and Security Agreement between PNB and Cazneau

Cazneau and PNB executed an OLSA, dated August 5, 2021, where Cazneau acted as Borrower and Mortgagor, ALCO acted as Grantor and PNB acted as Lender, Mortgagee, and Grantee, for a loan facility of up to One Billion Pesos (₱1,000,000,000.00), which will be made available to Cazneau in multiple tranches for a period of three (3) years from the date of the initial drawdown.

The loan was secured by: a) a real estate mortgage over two parcels of land located in Biñan Laguna covered by TCT No. 060-2016022843 and TCT No. 060-2016024761, registered under the name of Cazneau; and b) the grant of a security interest over share collateral corresponding to the common shares in Cazneau held by ALCO representing 100% of the issued and outstanding common shares of Cazneau.

The proceeds of the loan shall be used exclusively to partially reimburse the acquisition cost of the land on which Sevina Park will be developed, to partially reimburse developed costs on the Sevina Park estate incurred to date and to partially finance future development costs in relation to Sevina Park Villas, with a note that if the proceeds of the loan are not sufficient for the stated purpose, the deficiency shall be shouldered by Cazneau. A portion of the proceeds from the initial drawdown shall be used by Cazneau to partially repay shareholder advances from ALCO provided that ALCO's contribution into Cazneau, by way of paid in capital or shareholder advances shall not be less than ₱667,000,000.

As of August 31, 2024, this facility has been fully drawn by Cazneau.

Omnibus Loan and Security Agreement between BPI and Bhavana

On November 22, 2021, Bhavana and BPI executed an OLSA, Bhavana acted as Borrower, Mortgagor and Assignor, and BPI acted as Lender, Mortgagee and Assignee, for a loan facility of up to Nine Hundred Thirty Million Pesos (₱930,000,000.00), which will be made available to Bhavana in multiple tranches for a period of three (3) years from the execution date of the OLSA.

The loan has a term of five years, inclusive of a grace period of three years from the initial borrowing date and is payable in eight quarterly principal payments based on the amortization schedule agreed between the parties commencing on the 13^{th} quarter from the initial borrowing date. Among others affirmative and negative covenants, Bhavana's financial covenants under the loan require it to maintain a current ratio of at least 1.5x, a debt-to-equity ratio of 2.0x and a project debt to equity ratio not exceeding 0.5x.

The loan was secured by the following:

a) a real estate mortgage over one parcel of land located in Lot 1 Block 15 corner Samar Loop and Ayala Hipodromo, Barangay Mabolo, Cebu City, covered by TCT No. 107-2019004035, registered under the name of Bhavana; '

b) comfort letter from ALCO; and

c) Twenty Million Pesos (₱20,000,000.00) deposit hold out in the name of Bhavana.

The proceeds of the loan shall be used exclusively to partially reimburse the acquisition cost of the land on which Lucima will be developed and to partially finance development costs in relation to Lucima. A portion of the proceeds from the initial drawdown shall be used by Lucima to partially repay shareholder advances from ALCO provided that ALCO's contribution into Bhavana, by way of paid in capital or shareholder advances shall not be less than ₱500,000,000.

As of August 31, 2024, this facility has been fully drawn by Bhavana.

Omnibus Loan and Security Agreement between BPI and Bhavya

On December 22, 2021, Bhavya and BPI executed an OLSA, Bhavya acted as Borrower, Mortgagor and Assignor, and BPI acted as Lender, Mortgagee and Assignee, for a loan facility of up to Nine Hundred Thirty Million Pesos (₱930,000,000.00), which will be made available to Bhavya in multiple tranches for a period of three (3) years from the execution date of the OLSA.

The loan has a term of five years, inclusive of a grace period of three years from the initial borrowing date and is payable in eight quarterly principal payments based on the amortization schedule agreed between the parties commencing on the 13^{th} quarter from the initial borrowing date. Among others affirmative and negative covenants, Bhavya's financial covenants under the loan require it to maintain a current ratio of at least 1.5x, a debt-to-equity ratio of 2.0x and a project debt to equity ratio not exceeding 0.5x.

The loan was secured by the following:

a) a real estate mortgage over a real estate property under TCT No. 160194, registered under the name of First Capital Condominium Corporation ("FCCC") as issued by the Registry of Deeds ("RD")of Makati City and covering a parcel of land with an aggregate areas of 916 sqm and improvements thereon which will eventually be transferred and registered under the name of Bhavya as the beneficial owner of the real estate property following the execution of a Deed of Consolidation and after having acquired all 25 units comprising 100% of the voting members of FCCC;

b) letter of undertaking to submit the title of the real estate property under the name of Bhavya after having completed the consolidation within twelve (12) months from the execution date of the OLSA;

c) comfort letter from ALCO; and

d) Twenty Million Pesos (₱20,000,000.00) deposit hold out in the name of Bhavya.

The proceeds of the loan shall be used exclusively to partially reimburse the acquisition cost of the land on which Eluria will be developed and to partially finance development costs in relation to Eluria. A portion of the proceeds from the initial drawdown shall be used by Eluria to partially repay shareholder advances from ALCO provided that ALCO's contribution into Bhavya, by way of paid in capital or shareholder advances shall not be less than ₱500,000,000.

As of August 31, 2024, this facility has been fully drawn by Bhavya.

Contract to Sell Facilities for SLDC

An agreement for the establishment of a contract to sell facility ("**CTS Facility**") was executed by SLDC and Asia United Bank ("AUB") in October 2022 for financing receivables from buyers of units and parking slots in Savya Financial Center. As of August 31, 2024, the facility amounting to ₱499.8 million has been fully paid.

An agreement for the establishment of a CTS Facility was executed by SLDC and BDO Unibank, Inc. ("BDO") in February 2023 for financing receivables from buyers of units and parking slots in Savya Financial Center. As of August 31, 2024, the facility amounts to ₱1.0 billion of which ₱693.6 million is outstanding.

Contract to Sell Facilities for Cazneau

An agreement for the establishment of a ₱500 million CTS Facility was executed by Cazneau and Asia United Bank ("AUB") in October 2022 for financing receivables from buyers of units and parking slots in Sevina Park Villas. As of August 31, 2024, Cazneau has not drawn from this facility.

An agreement for the establishment of a ₱400 million CTS Facility was executed by Cazneau and BDO in November 2022 for financing receivables from buyers of units and parking slots in Sevina Park Villas. As of August 31, 2024, the facility amounts to ₱400 million of which ₱91.2 million is outstanding.

An agreement for the establishment of a ₱500 million CTS Facility was executed by Cazneau and BDO in August 2024 for financing receivables from buyers of commercial lots in Sevina Park. As of August 31, 2024, Cazneau has not drawn from this facility.

Contract to Sell Facilities for Bhavana

A Memorandum of Agreement for the establishment of a ₱1.2 billion CTS Facility was executed by Bhavana and BPI for financing receivables from buyers of units and parking slots in Lucima. As of August 31, 2024, ₱352.1 million is outstanding under this facility.

A Memorandum of Agreement for the establishment of a ₱500 million CTS Facility was executed by Bhavana and AUB for financing receivables from buyers of units and parking slots in Lucima. As of August 31, 2024, ₱104.3 million is outstanding under this facility.

Short Term Loan between Arthaland and BDO used to redeem Series C Preferred Shares

An agreement for a short-term loan with BDO Unibank, Inc. for ₱1.0 billion at interest of 7.75% per annum, the proceeds of which were used to redeem the Series C Preferred Shares on June 27, 2024. The Company will use ₱1.0 billion of the net proceeds from the Offer to repay this loan.

Short Term Loan Facilities

ALCO secured the following short-term unsecured loan facilities from various lenders:

(i) ₱350 million short-term, unsecured facility with BDO which has been drawn in full as of August 31, 2024.

(ii) ₱300 million short-term unsecured facility which is fully drawn to date and ₱10 million bills purchase line with CTBC Bank;

(iii) ₱605 million short-term unsecured facility which is fully drawn to date and ₱300 million bills purchase line with Union Bank of the Philippines ("**Union Bank**");

(iv) ₱500 million unsecured revolving credit line with Philippine National Bank ("**PNB**") of which ₱400 million has been drawn as of August 31, 2024 and ₱30 million domestic bills purchase line which has not been drawn;

(v) ₱1.45 billion unsecured, short-term facility with Union Bank Trust of which ₱461.4 million has been drawn as of August 31, 2024;

(vi) ₱100 million revolving promissory note line with BPI which has been fully drawn as of August 31, 2024.

(vii) ₱300 million domestic bills purchase line from BPI which has not been drawn to date.

(viii) ₱400 million unsecured, short-term facility with Land Bank of the Philippines which has been fully drawn to date.

CLLC secured the following short-term unsecured loan facilities:

(i) a ₱1.38 billion short-term, unsecured facility with Union Bank which is fully drawn as of August 31, 2024;

(ii) a ₱1.0 billion unsecured, short-term facility with Union Bank Trust which has not been drawn as of August 31, 2024.

(iii) A ₱300 million Domestic Bills Purchase Line with Unionbank which has not been drawn as of August 31, 2024.

Savya secured the following short-term unsecured loan facilities:

(i) a ₱500 million unsecured, short-term facility with Union Bank Trust which has been fully drawn as of August 31, 2024.

Bhavana secured the following short-term unsecured loan facilities:

(i) a ₱300 million unsecured, short-term facility with Union Bank Trust which has not been drawn as of August 31, 2024.

Cazneau secured the following short-term unsecured loan facilities:

(i) a ₱250 million unsecured, short-term facility with UnionBank Investment Management and Trust Corporation which has been fully drawn as of August 31, 2024.

4. Construction Contracts

On April 11, 2018, CLLC issued a letter of award to DDT Konstract, Inc. for general construction contract over Cebu Exchange.

In August 2019, Savya issued a letter of award to Datem Construction, Inc. for general construction contract over Savya Financial Center.

On September 2, 2019, Savya issued a letter of award to Datem Incorporated for the designing, construction, testing, and completion of certain works over Savya Financial Center.

On September 23, 2020, Cazneau issued a letter of award to Interfield Construction Corporation ("**ICC**") for the performance of general construction works for blocks 3 and 5 and amenities for the Sevina Park Villas.

On March 15, 2021, Cazneau issued a letter of award to James Construction for CPO1.2a Take Over Works construction contract over Sevina Park – Block 3 and 5 Villas.

On March 15 2021, Cazneau issued a letter of award to Oikodomeo Construction Corp. for CPO1.2b Take Over Works construction contract over Sevina Park – Block 3 and 5 Villas.

On March 15, 2021, Cazneau issued a letter of award to CICJ General Construction & Building Maintenance Inc. for the CPO1.2d Take Over Works construction contract over Sevina Park – Block 3 and 5 Villas.

On August 31, 2021, Cazneau issued a letter of award to Terp Asia Construction Corporation for the performance of general construction works for the batch 1 and 2 of block 6 and the amenities and pavilion for the Sevina Park Villas.

On November 22, 2021, Bhavana Properties issued a letter of award to Monocrete Construction Philippines, Inc. for CP02 General Construction Works construction contract over Lucima.

On July 9, 2021, Cazneau issued a letter of award to James Construction for CPO1.2j Take Over Works construction contract over Sevina Park – Cluster 2A and 3F (5 units).

On February 7, 2022, Cazneau issued a letter terminating the engagement of ICC as of February 5, 2022. The letter cited ICC to be in material breach of its obligations under the construction contract for Sevina Park Villas.

On May 2, 2022, Cazneau issued a letter of award to CICJ General Construction & Building Maintenance Inc. for CPO1.2f Take Over Works construction contract over Sevina Park – Block 3 and 5 Villas.

On May 2, 2022, Cazneau issued a letter of award to James Construction for the CPO1.2g Take Over Works construction contract over Sevina Park – Block 3 and 5 Villas.

On May 13, 2022, Cazneau issued a letter of award to James Construction for CPO1.2h Take Over Works construction contract over Sevina Park – Block 3 and 5 Villas.

On June 30, 2022, Cazneau issued a letter of award to James Construction for CPO1.2i Take Over Works construction contract over Sevina Park – Block 3 and 5 Villas: 3-24 and 5-15.

On November 22, 2021, Bhavana issued a letter of award to Monocrete Construction Philippines, Inc. (“Monocrete”) for the performance of general construction works for Lucima located at Cebu Business Park, Cebu City.

On November 2022, Cazneau issued a letter of award to Terp Asia Construction Corporation for the performance of general construction works for the batch 3 and 4 of block 6 for the Sevina Park Villas.

On January 19, 2023, Bhavya issued a letter of award to Datem Incorporated for general construction works for Eluria.

On August 17, 2023, Cazneau issued a letter of award to ASEC Development and Construction Corporation for general construction works for Una Apartments Tower 1.

5. Acquisition of Property

On January 29, 2021, ALCO executed a Contract to Sell for 27 parcels of land with an aggregate area of 11,862 sqm for a total consideration of ₱2,019,063,877.74 which shall be payable in tranches over 270 days from favorable completion of due diligence over the property. The acquisition of the property is subject to the fulfillment (to the satisfaction of the Company) of several prescribed conditions for consummation of the purchase and the payment of the consideration of the Company. To date, the Company is in the process of completing its due diligence over the property.

On December 5, 2023, Arthaland’s wholly-owned subsidiary, Pradhana Land Inc. executed a Memorandum of Agreement (“MOA”) superseding the Contract to Sell dated January 29, 2021. The MOA contains the definitive terms and conditions for the acquisition from sellers and agents of 61 residential lots with an aggregate area of 26,185 sqm including the following:

- The transaction shall be for a total consideration of Php4,022,792,420.5 exclusive of VAT.
- The purchase price payable to the sellers shall be paid by Pradhana Land Inc. over four tranches and each payment tranche is subject to the fulfillment of conditions set forth under the MOA.
- The service fees payable to the agents is broken down into six components which shall be paid by Pradhana to the agents upon the fulfillment of terms and conditions for each component.

To date, the sellers and agents are completing the conditions and documents required to trigger the release of the first tranche of the purchase price. Pradhana expects to complete the payments to the sellers by Q2 of 2025.

On December 31, 2023, ALCO executed a Heads of Agreement for the development of a 9-hectare real estate project in the southern part of the Philippines, covering land acquisition and site development by the Company.

On August 7, 2024, Arthaland's wholly-owned subsidiary, Sotern Land Corporation, signed a Memorandum of Agreement (MOA) with the owners of parcels of land with an aggregate area of approximately 3,700 sqm. The transaction shall be for a total consideration ranging from Php933,250,000 to Php1,025,375 inclusive of VAT depending on the fulfillment of conditions as set forth under the MOA. The transaction price is payable to the sellers over three tranches and each payment tranche is subject to the fulfillment of separate terms and conditions as defined in the MOA.

To date, SLC has paid the first tranche amounting to Php300 million representing the downpayment for the acquisition. The owners of the property are currently completing the conditions and documents required to trigger the release of succeeding tranches. SLC expects to complete the payments within 2025.

DISTRIBUTION METHODS

ALCO employs four (4) sales operations head and two (2) area sales operations directors in charge of overseeing the sales efforts of the Company's sales infrastructure. As of August 31, 2024, the Company engages the services of eleven (11) sales directors, forty-three (43) sales managers, forty-two (42) deputy sales managers and one hundred nine (109) sales associates on a contractual basis. These sales managers and sales associates coordinate and deal with commission-based sales professionals who sell to ALCO's customers. The structure applies to both individual and corporate sales.

COMPETITION

Significant barriers to entry into the market are the considerable capital needed for the acquisition and development of land, the development expertise and reputation required from an experienced management team, and the technical know-how, to name a few.

ALCO faces competition from other domestic property developers and the level of competition depends on product types, target market segments, location of developments and pricing, among others. Competition is also present in the procurement of raw materials, particularly in a tight supply market.

ALCO views as direct competition the major property players which are into the middle and high market categories for high-rise residential developments in the vicinity of ALCO's investment properties. Further, ALCO competes with these property developers for high-caliber sales/leasing agents and brokers.

ALCO considers two (2) direct competitors in the high-end residential market segment in terms of comparable quality of development and pricing of products – Ayala Land, Inc. and Rockwell Land Corporation. These companies have been in the business many years earlier than ALCO and they have strong brand equity, long track record, and big balance sheets. In the office development front, ALCO competes with both large and medium-scale developers such as Ayala Land, Inc., The Net Group, Daiichi Properties, and other local developers, particularly in Cebu City. These companies are considered to have the greater share of the market at the moment.

ALCO has the ability to grow and compete in its chosen segment, despite the presence of these larger, more established competitors. Given ALCO's strict adherence to quality, innovation and sustainability, the desirability of the project locations, its competitive pricing schemes and commitment to its projects even after sales, it is able to compete quite effectively.

ALCO intends to primarily capitalize on its niche market by developing projects in distinct locations, which are unique and special in terms of design, high quality of construction, and sustainable and wellness features. Although most of ALCO's developments cater to the luxury and upscale market segments, the Company intends to strengthen its portfolio by venturing into the broader midscale market segment.

ALCO is the pioneer in sustainable developments, being the first and only company to have a portfolio of office and residential projects that is 100% certified as sustainable under the LEED, BERDE, EDGE and WELL certification programs. It intends to continue to provide distinctive products with better quality at competitive pricing. ALCO is able to achieve this given its strong but lean management team as well as its organization as a whole.

INDUSTRY OVERVIEW

In May 2023, the World Health Organization declared that COVID-19 was no longer considered as a global health emergency. Subsequently, in July 2023, Presidential Proclamation No. 297 was issued and lifted the State of Public Health Emergency that had prevailed over the Philippines. However, headwinds from the global front given the effects of the Russia-Ukraine war, Israel-Hamas war, the generally sustained tight monetary policy implemented by the US Federal Reserves to ease up inflation and the corresponding over-all tightening of monetary policies in various countries including the Philippines partially offset gains from the complete lifting of restrictions due to the COVID-19 pandemic.

Given the above, the Philippines saw a slowdown in GDP growth which registered at 5.6% for the full year 2023 as compared to the 7.6% growth registered for the full year 2022. Notably, the Philippines' GDP growth for 2023 outpaced the growth registered by other countries in Asia, including those of China and Malaysia which grew at 5.2% and 3.4% respectively. Despite the headwinds, the Philippine economy is expected to grow above 6% over the medium term backed by large investments in infrastructure and economic reforms by the Marcos Jr. administration, including the passage of the proposed Public-Private Partnership (PPP) Act that will streamline the PPP process and will aid private sector investments towards Philippines' large infrastructure projects.

Fundamentally, the Philippines' attractiveness as a business location remains strong, given that rental rates and capital values in Metro Manila and other urban areas remain lower than most of the developed countries in the region. In addition, the Philippines continues to offer a supply of young, educated talent at lower cost than comparative talent in the region. In addition, the Marcos administration expressed its intention to put in place certain policies that will be supportive to the real estate sector including continuation of necessary infrastructure projects, support for ecozones to drive investments and the promotion of tourism, among others. We believe that these core characteristics and government support will drive continued growth over the long-term for the Philippine real estate sector.

In the near-term, we expect residential and office supply to improve with the completion of projects that were stalled during the pandemic and launches of new projects which are expected in the horizon. We expect lingering effects of high vacancy in office sector to remain elevated in 2024 due to expected completion of new office spaces but will gradually decline over time as a steady increase in transactions for new office space are observed for 2023 given return to office protocols of companies. We expect vacancy to go down and for rental rates to recover consistently for the residential sector for 2024 following demand from local employees as well as rising demand from returning expatriates.

Office Segment – Metro Manila

Office Stock. As of end of Q1 2024, the total supply of office space in Metro Manila is at 14.3 million sqm and is expected to increase to 16.1 million sqm by the end of 2027. The central business districts of Makati City and Fort Bonifacio accounted for around 42% of total office space by year-end 2023. From 2023 to 2027, the bulk of new office supply is expected to come from the Quezon City, Fort Bonifacio, Ortigas, and Bay Area central business districts as well as to the fringe areas of Ortigas and Makati. Supply of new office space is expected to taper off from 2025 to 2027.

Metro Manila Annual Office Supply
(in '000 sqm of GLA)

Submarket	End-2023	2024F	2025F	2026F	2027F	End-2027
Makati CBD	3,367	52	-	-	-	3,420
Fort Bonifacio	2,647	51	8	79	71	2,856
Ortigas Center	2,323	46	35	-	12	2,415
Quezon City	1,656	73	212	126	67	2,135
Bay Area	1,437	100	39	-	57	1,633
Alabang	868	38	-	-	16	921
Makati Fringe	720	71	-	95	-	886
Ortigas Fringe	632	48	19	121	154	974
Others	640	74	52	42	28	836
Metro Manila	14,290	553	365	463	405	16,076

Source: Colliers International 2024 Q1 Property Briefing

Demand. In its Q1 2024 briefing, Colliers International noted the sustained improvement in the level of transactions in the office sector which posted an 88% increase in volume of office space transacted for first quarter of 2024 over the same period in 2023. Traditional sectors and IT-BPM continued to provide stable source of demand for office space during this period.

The over-all vacancy in Metro Manila was at 19.0% as of the end of Q1 2024 which posted a slight improvement over the vacancy of 19.3% as of end of 2023. Vacancy is expected to increase further to 19.6% between 2023 to 2024 due to the completion of several office projects during this period, expected surrenders from pre-pandemic leases and the effect of the upcoming US elections which is tempered by a gradual increase in transactions for office space. Among the different business districts, Fort Bonifacio, Makati CBD and Ortigas Center experienced more benign vacancy rates at 15.4%, 10.2% and 14.0% respectively. The excess supply is expected to be absorbed over the next years as the new supply tapers off while the net take-up steadily improves.

Lease rates. In the Q1 2024 property briefing of Colliers, average lease rates in Metro Manila improved by 0.6% as compared to the previous quarter. With the expected continued improvement in volume of office transactions and the tapering off of new supply in the coming years, recovery is expected to take effect within 2024. Colliers expects average lease rates in 2024 to marginally increase by 2.5%. Among the business districts in Metro Manila, premium and grade A office spaces in Makati CBD continue to command the highest headline average lease rate per sqm at P 1,200 – 1,700 per sqm. Meanwhile, headline lease rates for Grade A office space in Fort Bonifacio held steady at P 1,100 – 1,500 per sqm as of Q1 2024.

Office Segment – Cebu

In Collier's property briefing for Q4 2023, Cebu had a total office stock of 1.45 million sqm of leasable space as of end of 2023 and is expected to increase to 1.75 million sqm by end of 2028. Cebu Business Park and Cebu IT Park continue to be the main source of new office stock and is estimated to account for about 63% of the total Cebu office stock by end 2028.

Cebu Annual Office Supply
(in '000 sqm of GLA)

Submarket	End-2023	2024F	2025F	2026F	2027F	2028F	End-2028
Cebu Business Park (CBP)	445.4	-	5	-	57	-	507.5
CBP Fringe	112.5	-	-	-	-	21	133.6

Cebu IT Park (CITP)	558.7	17	19	-	-	-	594.2
CITP Fringe	20.8	-	-	-	-	-	20.9
Mandaue	122.1	7	20	-	-	-	149.3
Mactan	86.2	8	-	-	-	-	94.6
North Reclamation	61.4	57	37	-	-	-	154.9
Others	42.7	19	-	32	-	-	93.4
Metro Cebu	1,449.9	108	81	32	57	21	1,748.4

Source: Colliers International Q4 2023 Property Briefing

Cebu continues to be a viable alternative to Metro Manila as a business location because it allows companies to tap into the large talent pool in southern Philippines, to achieve geographical diversification benefits and to average down on their rental costs. The average rental rate in the most prime central business districts in Cebu continues to be less than half the lease rate for Grade A office space in Makati and Fort Bonifacio. Transaction activities marginally declined for 2023 but is still a marked improvement as compared to 2021. The demand is primarily driven by the IT-BPM firms who are seeking to expand their operations in Cebu.

With the level of business activity closing in to pre-pandemic level, vacancy rates in the prime central business districts of Cebu Business Park and Cebu IT Park started to ease down from 18.7% and 20.0% as of year-end 2022 to 14.9% and 19.1% as of year-end 2023, respectively. Mandaue also exhibited significant improvement in vacancy rate from 21.5% as of year-end 2022 to 13.3% as of year-end 2023. For full year 2024, analysts expect net take up of office space to increase steadily although new supply is still expected to outpace net take up during this period. Given this trend, overall vacancy in Cebu is expected to marginally increase to about 21% during this period.

Residential Segment

Metro Manila Annual Residential Supply
(in condominium units)

In its Q1 2024 property briefing, Colliers expects an increase in residential vacancy rates by end of 2024 given the sizable amount of condominium units that will be completed within the year. Vacancy rates are expected to recover beginning in 2025. While the elevated vacancy puts downward pressure on the rental rates, Colliers still expects marginal improvement in lease rates following demand from local employees due to return to traditional office set-up as well as rising demand from expatriates.

As of year-end 2023, there were about 155,000 condominium units in Metro Manila. In 2024, an additional 11,300 units is expected of which about 63% will come from residential projects in the Bay Area. Over the next 2 years, the bulk of new supply is expected to come from this area as well and by 2026, we expect more condominium units in the Bay Area compared to either Makati CBD or Fort Bonifacio. Despite the new supply, vacancy rates are expected to gradually drop across all business districts in the medium term from 2025 onward following a slight increase expected for 2024.

Average vacancy is at 17.0% as of end of Q1 2024 and is expected to go up to 17.7% by year-end 2024 following the expected completion of 11,290 units, the largest new supply since 11,200 units completed in 2019. Despite this, we expect residential rental rates to steadily improve consistently between 2024 to 2026 particularly those located within the major business hubs. This is mainly due to increasing demand from local employees following return-to-office protocols and returning foreign expatriates.

Location	End-2023	2024F	2025F	2026F	End-2026	% Change (2026 vs end of 2023)
Alabang	5,660	570	1,880	340	8,440	49.2%

Araneta City	5,140	-	-	-	5,140	0.0%
Eastwood City	9,630	-	-	-	9,630	0.0%
Fort Bonifacio	42,550	1,300	1,470	820	46,140	8.4%
Makati CBD	29,210	280	840	1,460	31,790	8.8%
Bay Area	36,860	7,120	2,270	340	46,590	26.4%
Ortigas Center	19,830	2,030	1,090	2380	25,330	27.7%
Rockwell Center	5,830	-	-	-	5,830	0.0%
	154,700	11,290	7,540	5,350	178,880	15.6%

Source: Colliers International Q1 2024 Briefing

Over the long-term, the outlook for the residential sector continues to be very positive driven by the expanding infrastructure network as major projects under the government's Build, Better, More program achieve completion and the passing of major economic reforms such as the proposed PPP Act.

SUPPLIERS

Construction of ALCO's project/s is awarded to qualified reputable construction firms subject to a bidding process and management's evaluation of contractors' qualifications and satisfactory working relationships. Construction materials, primarily cement and rebars, are normally provided by the contractors as part of their engagement. In instances when management finds it to be more cost-effective, ALCO may opt to procure owner-supplied construction materials.

ALCO's material suppliers as well as the products and services supplied to ALCO as of the date of this Prospectus are summarized below:

Supplier	Products and Services Provided
Datem Incorporated	General contractor for Savya Financial Center
DDT Konstract, Inc.	General contractor for Cebu Exchange
Datem Incorporated	General contractor for Arya
Megawide Construction Corporation	General contractor for ACPT
Monocrete Construction Philippines, Inc.	General contractor for Lucima
Datem Incorporated	General contractor for Eluria
ASEC Development Corporation	General contractor for Una Apartments
Sasaki and Associates	Masterplanner for Sevina Park
Mitsubishi Jisho Design Asia PTE. LTD.	Masterplanner for Project Vanilla
Visionary Architecture, Inc.	Masterplanner for Project Vanilla (Local Counterpart)
Skidmore, Owings & Merrill, LLP	Architecture Services for ACPT
Rchitects, Inc.	Architecture Design Services for Savya
Leandro V. Locsin and Partners	Architecture Services for Sevina Park
S+A Singapore Pte. Ltd.	Architecture Consultancy Services for CD & SD for Lucima
Michael Banak Architecture	Architecture Services for Eluria

Supplier	Products and Services Provided
GF and Partners, Architects	Architecture Services (Architect of Record)
Aidea Inc.	Architecture Services (Architect of Record)
Visionary Architecture, Inc.	Architecture Services for Project Teal
Casas + Architects, Inc.	Architecture Services for Makati CBD Residential Project 1
Arcadis Philippines Inc.	Quantity Surveyor for Arya, ACPT, Cebu Exchange, Savya, Una Apartments, and Eluria
Metri Quantity Surveyors	Quantity Surveyor for Sevina Park
BK Asia Pacific (Philippines) Inc.	Quantity Surveyor for Lucima
Danilo C. Mancita, Inc.	Construction Manager for Arya
AECOM Philippines Consultants Corp.	Quantity Surveyor for Eluria
Design Coordinates Inc.	Project Manager for Eluria

The Company employs competitive bidding process for all our projects. As a result, no two projects which are under construction have the same general contractor at all times. The contracts with each general contractors are described under material agreements and the contracts are also attached to the filing with the SEC. Please refer to the discussion on Construction Contracts under Material Agreements in pages [145-146] for more details on the general contractors for all our projects.

Arthaland also employs competitive bidding for several services for mechanical, electrical, plumbing, and fire protection (MEPFs). As such, we have no dependence on one major supplier for our projects.

DEPENDENCE ON CERTAIN CUSTOMERS

As a general rule, the Company has a broad customer base and is not materially dependent on a single or a few customers. However, in August 2024, Bhavana executed contracts-to-sell with a single buyer amounting to approximately ₱1.0 billion covering 3,500 sqm of condominium units in Lucima. The contracts were executed on an arms-length basis and contain customary terms and conditions considering the bulk nature of the transaction. This transaction is a one-off occurrence. The Company's selling programs remained structured to reach a broader customer base.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

In the regular conduct of business, ALCO and its wholly owned subsidiaries enter into intercompany transactions, primarily advances necessary to carry out their respective functions subject to liquidation and reimbursements for expenses. ALCO ensures that while these transactions are made substantially on the same terms as with other individuals and businesses of comparable risks, they are fair and treated at arm’s length.

ALCO also ensures compliance with BIR Revenue Regulations No. 19-2020 and BIR Revenue Regulation No. 34-2020 on related party transaction disclosures. To comply with the above BIR regulations and documentation, the Company has engaged Reyes Tacandong & Co. (“RTC”) to assist in reviewing the intercompany transactions pursuant to the above regulations. The Company, likewise, submits BIR Form No. 1709 together with the Annual Income Tax Return on an annual basis.

Please refer to page [202] for a discussion on Certain Relationships and Related Transactions for a more comprehensive discussion of transactions with related parties

PATENTS, TRADEMARKS AND COPYRIGHTS

ALCO's operations are not dependent on patents, trademarks, copyrights and the like, although ALCO, on its own behalf and those of its subsidiaries, sought from the Intellectual Property Office of the Philippines and was granted the exclusive use of the tradenames, logos and taglines "Arthaland Future Proof by Design", "Arthaland Century Pacific Tower", "ARTHALAND Building Sustainable Legacies", "Cebu Exchange", "Savya Financial Center", "Sevina Park", "Lucima", "Eluria", "Una Apartments", "The Potager Gardens by Arthaland", "The Potager Garden", "The Garden of Simples", "Emera", "Arthaland Prestige Property Solutions" and "NAVIS by Arthaland". The tradename "Arya Residences" now belongs to Arya Residences Condominium Corporation.

As of the date of this Prospectus, the Company has registered the following trademarks with respect to its business:

Mark		Number	Registration Date	Expiration Date
Arthaland Century Pacific Tower		4-2016-012422	January 19, 2017	January 19, 2027
Arthaland Future Proof by Design		4-2019-003408	August 1, 2019	August 1, 2029
Arya Residences		4-2019-003407	July 11, 2019	July 11, 2029
Sevina Park		4-2019-006509	October 3, 2019	October 3, 2029
Savya Financial Center		4-2019-006508	December 29, 2019	December 29, 2029
ARTHALAND Building Sustainable Legacies		4-2019-018161	October 9, 2020	October 9, 2030
Cebu Exchange		4-2019-003406	November 19, 2022	November 19, 2032
The Potager Gardens by Arthaland	The Potager Gardens by Arthaland (wordmark)	4-2021-528412	April 8, 2023	April 8, 2033
The Garden of Simples	The Gardens of Simple (wordmark)	4-2021-529055	November 5, 2022	November 5, 2032
The Potager Garden	The Potager Garden (wordmark)	4-2021-528976	April 16, 2022	April 16, 2032
NAVIS by Arthaland	NAVIS by Arthaland (wordmark)	4-2021-512097	September 9, 2023	September 9, 2033
Emera	Emera (wordmark)	4-2021-517034	July 9, 2022	July 9, 2032
Arthaland Prestige Property Solutions	Arthaland Prestige Property Solutions (wordmark)	4-2022-505485	January 7, 2023	January 7, 2033

Mark		Number	Registration Date	Expiration Date
Eluria	Eluria (wordmark)	4-2022-501729	July 16, 2022	July 16, 2032
Lucima	Lucima (wordmark)	4-2022-501730	June 4, 2022	June 4, 2032
Una Apartments	Una Apartments (wordmark)	4-2022-516722	January 7, 2023	January 7, 2033

NEED FOR GOVERNMENT APPROVAL FOR PRINCIPAL PRODUCTS OR SERVICES

ALCO secures various government approvals such as Environmental Compliance Certificates ("**ECC"**), development permits and licenses to sell as part of its normal course of business.

ALCO is required to strictly follow the guidelines of the Department of Environment and Natural Resources ("**DENR**"). In order to secure environmental permits, including the ECC for its projects, the Company undertakes to conduct certain studies including but not limited to an Engineering Geological and Geohazard Assessment Report (EGGAR), traffic and flood studies. The cost of these studies is less than 0.5% of total cost of the project, which is not significant compared to the total cost.

ALCO does not foresee any material or adverse effect of existing and probable government regulations on its business.

As of the date of this Prospectus, ALCO and its subsidiaries have secured such governmental approvals, permits and licenses issued by the relevant government bodies or agencies listed below, as which are necessary to conduct their business and operations. While the governmental approvals, permits and licenses required for specific projects have either been secured or are currently being processed by the relevant government bodies or agencies, as indicated in the list below.

CORPORATE PERMITS

Arthaland Corporation

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 126RC20240000000286 TIN 004-450-721-000	July 6, 1998	N/A
2. Business Permit	City of Taguig	LCN-20-004292	January 19, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300292 s. 2024	April 4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41901-10154	January 19, 2024	December 31, 2024
5. Certificate of Employer's Registration	Pag-IBIG	Employer No. 204213480002	August 31, 2016	N/A
6. Certificate of Employer's Registration	Social Security System (SSS)	SSS Employer No. 03-9211531-5-000	August 23, 2016	N/A

7. Certificate of Employer's Registration	PhilHealth	PhilHealth Employer No. 001000014010	August 23, 2016	N/A
8. Certificate of Registration	Philippine Economic Zone Authority (PEZA)	Certificate of Registration No. 08-10-F (IT)	April 16, 2009	N/A

Arya Residences Condominium Corporation

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2302	Bureau of Internal Revenue (BIR)	TIN No. 008-886-797	January 12, 2018	N/A
2. Business Permit 3.	City of Taguig	LCN-20-017193	January 20, 2024	December 31, 2024
4. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 245214, s. 2024	January 20, 2024	N/A
5. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A42001-12284	January 20, 2024	December 31, 2024

Urban Property Holdings, Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 044RC20240000000272 TIN 004-477-699-000	July 13, 1998	N/A
2. Business Permit	City of Taguig	LCN-20-004561	January 15, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300284, s. 2024	April 4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41501-05728	January 17, 2024	December 31, 2024

Cazneau, Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration-	Bureau of Internal Revenue (BIR)	OCN 044RC20240000000273 TIN 007-089-627-000	August 27, 2008	N/A

BIR Forms 2303				
2. Business Permit	City of Taguig	LCN-20-004560	January 15, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300282, s. 2024	Apr4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41501-05724	January 15, 2024	December 31, 2024

Manchesterland Properties, Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 044RC20240000000245 TIN 006-939-384-000	March 28, 2008	N/A
2. Business Permit	City of Taguig	LCN-20-011924	January 15, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300286, s. 2024	April 4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41501-05721	January 17, 2024	December 31, 2024

Arthaland Prestige Property Solutions (formerly “Emera Property Management, Inc.”)

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 044RC20230000004014 TIN 007-089-597-000	August 27, 2008	N/A
2. Business Permit	City of Taguig	LCN-20-004559	January 17, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300291, s. 2024	April 4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41701-08225	January 18, 2024	December 31, 2024

Zileya Land Development Corporation

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 044RC20240000000243 TIN 009-195-830-000	January 5, 2016	N/A
2. Business Permit	City of Taguig	LCN-20-020068	January 15, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300283, s. 2024	April 4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41501-05720	January 15, 2024	December 31, 2024
5. Locational Clearance	City Planning and Development Office, Taguig City	Decision No. 1-0084-16	January 14, 2016	N/A

Cebu Lavana Land Corp.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 044RC20210000006437 TIN 009-129-450-000000	October 2, 2015	N/A
2. Business Permit	City of Taguig	LCN-20-019642	January 15, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300288, s. 2024	April 4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41501-05734	January 17, 2024	December 31, 2024
5. Locational Clearance	City Planning and Development Office, Cebu	LC16-02-03-02	April 21, 2016	N/A
6. Certificate of Registration	Philippine Economic Zone Authority (PEZA)	Certificate of Registration No. EZ 22-17	June 22, 2022	N/A

Savya Land Development Corporation

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 044RC20230000005342 TIN 009-559-200-000	February 23, 2017	N/A
2. Business Permit	City of Taguig	LCN-20-023117	January 15, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300284, s. 2024	April 4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	AA41501-05734	January 17, 2024	December 31, 2024

Bhavya Properties Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 044RC20220000000229 TIN 010-364-838-000	July 23, 2019	N/A
2. Business Permit	City of Taguig	LCN-20-030209	January 15, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300289, s. 2024	April 4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41501-05725	January 17, 2024	December 31, 2024

Bhavana Properties Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 044RC20220000000231 TIN 010-359-930-000	July 17, 2019	N/A
2. Business Permit	City of Taguig	LCN-20-030020	January 15, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300290, s. 2024	April 4, 2024	N/A

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41501-05723	January 17, 2024	December 31, 2024

Pradhana Land Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration-BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 044RC20240000000269TIN 010-397-407-000	September 12, 2019	N/A
2. Business Permit	City of Taguig	LCN-20-030746	January 15, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300285, s. 2024	April 4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41501-05732	January 17, 2024	December 31, 2024

Kashtha Holdings, Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration-BIR Forms 2303	Bureau of Internal Revenue (BIR)	OCN 044RC20210000005928 TIN 010-410-757-000	October 3, 2019	N/A
2. Business Permit	City of Taguig	LCN-20-030863	January 17, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 300287, s. 2024	April 4, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A41701-08224	January 18, 2024	December 31, 2024

Sotern Land Corporation

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration-	Bureau of Internal Revenue (BIR)	OCN 044RC20240000007089 TIN 010-815-352-000	April 23, 2024	N/A

BIR Forms 2303				
2. Business Permit	City of Taguig	LCN-24-03081	May 30, 2024	December 31, 2024
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-004110, s. 2024	May 20, 2024	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A43005-26183	September 16, 2024	December 31, 2024

PROJECT PERMITS

Arthaland Century Pacific Tower

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Zoning Certification (as "Urban Core Zone")	HLURB	N/A	October 15, 2014	N/A
2. HLURB Development Permit	HLURB	D.P. No. 15-07-042	July 2, 2015	N/A
3. Environmental Compliance Certificate as amended	DENR	ECC-NCR-1410-0384	October 15, 2014	N/A
4. Certificate of Installation of Earthquake Recording Instrumentation	Office of the Building Official, City of Taguig	N/A	July 10, 2018	N/A
5. Certificate of Occupancy	Office of the Building Official, City of Taguig	15-2017-0290	June 29, 2017	N/A
6. Permit to Operate Air Pollution Source Installation	DENR – EMB	PTO-OL-NCR-2024-04786-R	May 28, 2024	May 28, 2029
7. Certificate of Compliance	ERC	COC No. 24-08-S-03498L	August 9, 2024	N/A

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
8. ECC Amendment	DENR EMB NCR	ECC-NCR-1410-0384	June 18, 2018	N/A
9. DP Alteration	DHSUD	A.P. No. 23-11-084	November 10, 2023	N/A
10. Fire Safety Inspection Certificate	Taguig City Fire Station, Bureau of Fire Protection	FSIC No. R16 918155	July 17, 2024	N/A

Arya

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration	Housing and Land Use Regulatory Board ("HLURB")	No. 22290	April 26, 2010	N/A
2. Zoning Certification	HLURB	N/A	August 28, 2009	N/A
3. License to Sell (Sale of units in Tower 1)	HLURB	No. 23693	October 13, 2010	N/A
4. License to Sell (Sale of units in Tower 2)	HLURB	No. 25103	November 25, 2011	N/A
5. Certificates of Occupancy (Towers 1 and 2)	DPWH, Office of the Building Official, Taguig City	Nos. 15-2015-0438 and 15-2014-0142	March 6, 2014 and August 20, 2015	N/A
6. Zoning Certification	HLURB	N/A	August 28, 2009	N/A
7. Environmental Compliance Certificate	DENR-EMB	ECC Ref. Code ECC-NCR-0907-0645	October 13, 2011	N/A
8. Fire Safety Evaluation Clearance	Taguig City Fire Department	Tower 1: R16-20231 Tower 2: R16-191699	Tower 1: July 10, 2012 Tower 2: July 7, 2015	N/A

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
9. Certificate of Installation of Earthquake Recording Instrumentation	Office of the Building Official, City of Taguig	N/A	September 21, 2016	N/A
10. Certificate of Occupancy (Towers 1 and 2)	Office of the Building Official, City of Taguig	No. 15-2014-0142 and 15-2015-0438	March 6, 2014 and August 20, 2015	N/A
11. Barangay Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 005480	January 16, 2019	N/A
12. Permit to Operate Air Pollution Source Installation	DENR – EMB	POA No. 20-POA-J-137607-237	December 21, 2020	October 28, 2025
13. BESC Estate Clearance Certificate	Bonifacio Estate Services Corporation	No. CAA014-2018	May 8, 2019	N/A

Lucima

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Zoning Certification	City Planning and Development Office, City of Cebu	N/A	November 9, 2020	N/A
2. Locational Clearance	City Planning and Development Office, City of Cebu	Locational Clearance No. LC21-02-05-11	April 15, 2021	N/A
3. HLURB Development Permit	HLURB	DP No. R7-021-0564	March 9, 2021	N/A
4. HLURB Preliminary Approval and Locational Clearance	HLURB	PALC No. R7-021-0814	March 9, 2021	N/A
5. Environmental Compliance Certificate	DENR-EMB	ECC-OL-R07-2021-0052	February 11, 2021	N/A
6. Fire Safety Evaluation	Cebu City Fire Station, Cebu Provincial	FSEC No. R 07-041174	May 10, 2021	N/A

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
	Clearance (Project Union)	Office, Bureau of Fire Protection			
7.	Permit/License to Sell	HLURB Central Visayas	License No. LS-R07-21-061	July 5, 2021	N/A
8.	Certificate of Registration	HLURB Central Visayas	CR-R07-21-039	July 5, 2021	N/A

Cebu Exchange

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1.	Zoning Certification	City Planning and Development Office, City of Cebu	N/A	March 8, 2013	N/A
2.	Locational Clearance	City Planning and Development Office, City of Cebu	Locational Clearance No. LC16-02-03-02	April 21, 2016	N/A
3.	HLURB Development Permit	HLURB	CVR-016-0397	July 20, 2016	N/A
4.	HLURB Preliminary Approval and Locational Clearance	HLURB	CVR-016-0647	July 20, 2016	N/A
5.	Environmental Compliance Certificate	DENR-EMB	ECC-R07-06160009	July 8, 2016	N/A
6.	Fire Safety Evaluation Clearance (Project Salt)	Cebu City Fire Station, Cebu Provincial Office, Bureau of Fire Protection	FSEC No. R 16-00222176	January 19, 2017	N/A
7.	Fire Safety Evaluation Clearance (Fee Gallery)	Cebu City Fire Station, Cebu Provincial Office, Bureau	FSEC No. R 07-001231	November 3, 2017	N/A

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
		of Fire Protection			
8.	Certificate of Site Zoning Classification	HLURB Central Visayas	N/A	February 1, 2017	N/A
9.	Permit/License to Sell	HLURB Central Visayas	License No. 032788	September 11, 2017	N/A
10	Certificate of Registration	HLURB Central Visayas	No. 028434	September 11, 2017	N/A
11	Advertisement Approval (Billboards, AVP, and brochure approvals)	HLURB Central Visayas	N/A	August 7, 2018 and March 28, 2019, January 14, 2019, and January 14, 2019	N/A
12	PEZA Board Resolution	PEZA	Resolution no. 16-726	December 19, 2016	N/A

Savya Financial Tower

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1.	Certificate of Site Zoning Classification	HLURB	N/A	July 9, 2018	N/A
2.	Locational Clearance	City Planning and Development Office, Taguig City	Decision No. 4-1515-18	October 24, 2018	N/A
3.	Development Permit	HLURB	D.P. No. 18-10-070	October 23, 2018	N/A
4.	Fire Safety Evaluation Clearance (Towers 1 and 2)	Taguig City Fire Station	FSEC No. R 16-95697 and FSEC No. R 16-95698	March 1, 2019	N/A
5.	Certificate of Registration	HLURB	CR No. 029476	February 11, 2019	N/A
6.	License to Sell (Towers 1 and 2)	HLURB	License to Sell No. 034553	February 11, 2019	N/A

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
7.	License to Sell (Tower 2)	HLURB	License to Sell No. 034615	July 1, 2019	N/A
8.	Environmental Compliance Certificate (ECC) Tower 1	DENR EMB NCR	ECC-OL-NCR-2018-0190	August 24, 2018	N/A
9.	Environmental Compliance Certificate (ECC) Tower 2	DENR EMB NCR	ECC-OL-NCR-2018-0213	September 11, 2018	N/A
10.	Laguna Lake Development Clearance	LLDA DENR	LLDA No. 01610	November 9, 2018	N/A
11.	Certificate of Completion (North Tower 1)	DHSUD	COC 0000033	December 13, 2023	N/A
12.	Certificate of Completion (South Tower 2)	DHSUD	COC 0000034	December 13, 2023	N/A

Sevina Park

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1.	Development Permit	City Planning and Development Office, City of Binan	CZC-2040-002-2019	February 18, 2019	N/A
2.	Certificate of Registration	HLURB	029827	June 17, 2019	N/A
3.	Permit/License to Sell	HLURB	034445	June 17, 2019	N/A
4.	Environmental Compliance Certificate	DENR – EMB	ECC-OL-R4A-2019-0119	March 21, 2019	N/A
5.	LLDA Clearance	LLDA	BIN21743	May 22, 2019	N/A
6.	Zoning Certificate	HLURB STR	HLURB Certification no. 19-266-04	June 17, 2019	N/A
7.	Certificates of Occupancy	Office of the Building Official, City of Binan	Certificate No. 122100761 Certificate No. 122100762 Certificate No. 122100763	December 17, 2021	N/A

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
8.	DP Alteration	DHSUD	AP-2040-002-2021	November 3, 2021	N/A
9.	Fire Safety Evaluation Clearance	Binan City Station, Laguna Province, Bureau of Fire Protection	FSEC No. R-4A 296446 FSEC No. R-4A296447 FSEC No. R-4A296448	September 21, 2024	N/A
10.	Fire Safety Inspection Certificate	Binan City Station, Laguna Province, Bureau of Fire Protection	FSIC No. R-4A6271-31 FSIC No. R-4A6271-32 FSIC No. R-4A6271-33	February 2, 2022	N/A

Courtyard Hall (Sevina Park Phase 1)

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1.	Zoning Permit	City Planning and Development Office, City of Binan	N/A	September 18, 2018	N/A
2.	Certificate of Occupancy	Office of the Building Official, City of Binan	Certificate No. 091800498	September 26, 2018	N/A
3.	Certificate of Registration	HLURB	N/A	N/A	N/A

Una Apartments Tower One

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1.	Certificate of Site Zoning Classification	City Planning and Development Office, City of Binan	N/A	November 10, 2021	N/A
2.	Locational Clearance	City Planning and Development Office, City of Binan	Application No. 012200058	January 31, 2022	N/A
3.	Development Permit	City Planning and	AP-2040-002-2021	November 3, 2021	N/A

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
	Development Office, City of Binan			
4. Provisional Certificate of Registration	DHSUD	No. 591	June 28, 2022	N/A
5. Provisional License to Sell	DHSUD	No. 767	June 28, 2022	N/A
6. Environmental Compliance Certificate	DENR – EMB	ECC-OL-R4A-2019-0119	March 21, 2019	N/A
7. Certificate of Site Zoning Classification	DHSUD	DHSUD Certification no. 22-107-04	June 14, 2022	N/A
8. Fire Safety Evaluation Clearance	Binan City Station, Laguna Province, Bureau of Fire Protection	FSEC No. R-4A296708	February 2, 2022	N/A

Una Apartments Tower Two

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Barangay Clearance	Barangay	2023-0064	September 15, 2023	N/A
2. Locational Clearance	City Planning and Development Office, City of Binan	AP NO. 09230023	September 14, 2023	N/A
3. Fire Safety Evaluation Clearance	Binan City Station, Laguna Province, Bureau of Fire Protection	FSEC No. 4A 176174	September 14, 2023	N/A
4. Building Permit	Office of the Building Official	BP-2023090720	September 14, 2023	N/A
5. DP Alteration	DHSUD	AP-23-09-011	September 29, 2023	N/A
6. License to Sell	DHSUD	LTS NO. – 0001681	November 24, 2023	N/A

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
7.	ECC Amendment	DENR-EMB	ECC-OL-R4A-2019-0119	February 14, 2023	N/A

Sevina Park Arcades

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1.	Development Permit	City Planning and Development Office, City of Binan	AP-2040-002-2021	November 3, 2021	N/A
2.	Provisional Certificate of Registration	DSHUD	No. 592	June 27, 2022	N/A
3.	Certificate of Site Zoning Classification	DHSUD	DHSUD Certification no. 22-108-04	June 14, 2022	N/A
4.	Provisional License to Sell	DHSUD	No. 768	June 27, 2022	N/A
5.	Environmental Compliance Certificate	DENR – EMB	ECC-OL-R4A-2019-0119	March 21, 2019	N/A
6.	Certificate of Site Zoning Classification	DHSUD	DHSUD Certification no. 22-108-04	June 14, 2022	N/A

Eluria

	Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1.	Locational Clearance	City Planning and Development Office, Makati City	COC-BLDG01212216758B-030122-C4E	March 7, 2022	N/A
2.	HLURB Development Permit	HLURB	DP No. 22-01-002	January 21, 2022	N/A
3.	Environmental Compliance Certificate	DENR-EMB	ECC-OL-NCR-2020-0185	December 20, 2020	N/A
4.	Temporary License to Sell	HLURB	No. NCR – 001	April 27, 2022	N/A

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
5. Certificate of Registration	HLURB	No. 163	April 27, 2022	N/A
6. Permit/License to Sell	HLURB	License No. 457	July 27, 2022	N/A
7. Fire Safety Evaluation Clearance	Makati City Fire Station, National Capital Region, Bureau of Fire Protection	FSEC No. R16-145280	March 8, 2022	N/A

RESEARCH AND DEVELOPMENT

There have been no significant Research and Development costs recorded by the Company in the past three years.

EMPLOYEES

As of August 31, 2024, ALCO had a total of 164 personnel, 68 of whom are in management and 96 are non-managers. As of the same period, ALCO also engaged 204 sales agents.

The above personnel are not covered by any collective bargaining agreement.

Additional employees will be hired for the succeeding year but the same will be closely aligned with ALCO's actual and programmed growth.

The above information as well as a summary of benefits and incentives for each employee class is summarized below:

Classifications	**Headcount as of August 31, 2024**	**Estimated additional employees over the next 4 months**	**List of Benefits and Incentives**
STAFF	96	7	Uniform Allowance Communication Allowance HMO Group Life and Accident Insurance Retirement Program
MANAGER	53	6	Car Plan Gas Allowance Communication Allowance HMO Group Life and Accident Insurance Retirement Program

Classifications	Headcount as of August 31, 2024	Estimated additional employees over the next 4 months	List of Benefits and Incentives
SR. MANAGEMENT	15	0	Car Plan Gas Allowance Communication Allowance HMO Group Life and Accident Insurance Retirement Program
TOTAL	**164**	**13**	

Description of Property

ALCO is the registered owner of the 2,233-sqm property along 5th Avenue corner 30th Street in Bonifacio Global City, Taguig City, Metro Manila, on which ACPT is currently built. ACPT is mainly leased out to provide a source of recurring income for ALCO. This lot and the building are presently mortgaged with BDO Unibank, Inc. In addition, a security trust agreement is executed covering revenue and operating accounts, project receivables and project agreements (including EPC contracts, lease contracts, operations and management contracts and insurance agreements).

Cazneau is the registered owner of the eight-hectare property in Biñan City, Laguna, on which will be established the Sevina Park, a master planned campus-type residential community that will feature a mix of student and faculty housing, a mix of low-``rise residential buildings as well as retail and supplemental amenities which ALCO expects to fully develop in phases throughout 2023, in step with the growth of new and existing schools in the area. The property, where the Sevina Park is situated, is presently mortgaged with Philippine National Bank.

CLLC is the owner of two parcels of adjacent land in Barangay Lahug, Cebu City, Philippines with a total area of 8,440 sqms, to be developed as Cebu Exchange, a 38-storey office building with retail establishments, poised to be one of Cebu's largest and tallest office developments and will cater to Cebu's booming office space market.

MPI was the registered owner of the 6,357 sqm parcel of land along McKinley Parkway on which Arya currently stands. This property was conveyed to Arya Residences Condominium Corporation in December 2016 but MPI retained ownership over the commercial units in The Plaza at Arya Residences and a number of non-appurtenant parking slots therein. One seat in the Board of the Condominium Corporation is reserved for the commercial units in Arya.

SLDC is the registered owner of approximately 6,000-sqm property within the Arca South development in Taguig City where Savya Financial Center is situated. The lot is recorded as a real estate for sale in the books of SLDC. Fifty percent (50%) of the lot is mortgaged with BDO under the term loan agreement between SLDC and BDO. The other 50% is mortgaged with BDO to secure the term loan of HHI, with SLDC as the third-party accommodation mortgagor.

UPHI is the registered owner of a 33-hectare raw land[14] located at the junction of the city limits of Tagaytay City and the provincial boundaries of Laguna and Batangas. The portion of the property lying within the Tagaytay City limits is nestled along the fairway of Tagaytay Highlands Golf and Country Club. Approximately one hectare of this property is subject of an expropriation proceeding, a full disclosure of which is discussed in the succeeding item.

ALCO, through ZLDC, executed sale and purchase agreements to acquire approximately 47.4% of a 2,018 sqm property located in Makati City. This property will be the site of ALCO's Makati CBD Residential Project 1.

Bhavana is the registered owner of a prime property with a total area of 2,245 sqm, located in Cebu Business Park at the corner of Cardinal Rosales Avenue and Samar Loop inside the Cebu Business Park where Lucima is currently being constructed. This property is recorded as a real estate for sale in the books of Bhavana. Further, the lot including all present and future improvements thereon is currently mortgaged with Bank of the Philippine Islands.

In 2020, ALCO, through its subsidiary, Bhavya, completed the acquisition of a 916 sqm property in Legazpi Village, Makati City. This land, where Eluria is currently being constructed, is owned and recorded as a real

[14]The carrying value of this property amounts to ₱149.80 million. Based on the appraisal report dated December 31, 2023, the fair value of the land amounted to ₱829.4 million.

estate for sale in the books of Bhavya. The lot including all present and future improvements thereon is currently mortgaged with Bank of the Philippine Islands.

Within the next twelve months, the Company intends to acquire land for future project developments including the following: (1) 50% of a 5-hectare property located in the middle of a prime city center area in southern Philippines for Project Vanilla (2) a 3.6-hectare property located at the entry of one of the most prime CBDs in Metro Manila for Project Olive; and, (3) a 3,700 sqm property located in northern Metro Manila for Project Teal.

The acquisition cost for the property of Project Vanilla will be disclosed once agreements have been finalized.

The acquisition cost for Project Olive amounts to Php4,022,792,420.5 exclusive of VAT. The transaction price is payable to the seller over four tranches and each payment tranche is subject to the fulfillment of the terms and conditions of each component. Funding for this acquisition will be from proceeds of the Tranche 1 and Tranche 2 ASEAN Green Bonds amounting approximately Php2.67 billion and balance of Php1.35 billion will come from the proceeds of the term loan which will be secured by Q2 2025.

The transaction price for Project Teal ranges from Php933,250,000 to Php1,025,375 inclusive of VAT depending on the fulfillment of conditions and is payable over three tranches with each payment tranche subject to the fulfillment of separate terms and conditions as defined in the MOA. The funding from this acquisition will come from the proceeds of Series F Preferred Shares as discussed under the section Use of Proceeds.

BOOK VALUE OF BATANGAS PROPERTIES

Based on available records, it is the understanding of the Company that the Batangas Properties[15], along with 45% of the outstanding shares of UPHI and other real assets, formed part of the security for a loan granted by then EIB to PR Builders Developers and Managers, Inc. ("PR Builders"). Subsequently, the Batangas Properties and other assets comprising the PR Builders account became part of the non-performing asset portfolio of EIB which were sold in 2006 to special purpose vehicles ("SPVs") specializing in the acquisition of similar non-performing assets. Because of the various cases filed by PR Builders, the concerned SPV was unable to consolidate its ownership over the Batangas Properties and the other assets which formed part of the PR Builders account. The SPV subsequently exercised its option to return the Batangas Properties and other assets comprising the PR Builders account to EIB in 2007, and EIB, in turn, returned the amount of ₱13 million that SPV had paid for these assets and proceeded to negotiate directly with PR Builders for a compromise so that the former may sell the assets to other interested third parties.

The Company, on the other hand, was interested in acquiring the Batangas Properties for future development. It was also interested in acquiring the shares comprising 45% of the equity of UPHI as the Company already owned the balance of 55%. The acquisition of 100% of UPHI would consolidate the Company's ownership of the underlying asset of UPHI which included a 33-hectare property in Tagaytay. In addition, the Company planned to acquire from the major shareholders of PR Builders ("Spouses Villarin") the 1.8-hectare property in Tagaytay ("Tagaytay Property") which is adjacent to the existing 33-hectare property of UPHI and which is important to the future development of the said 33- hectare property.

Following negotiations with PR Builders, the Absolute Mutual Release and Quitclaim (the "Compromise Agreement") was executed between EIB and PR Builders with the conformity of the Company (then EIB Realty Developers, Inc.) and Spouses Villarin on April 15, 2008.

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[15] Composed of two parcels of agricultural land located at Bo. Niyugan, Laurel, Batangas covered by Transfer Certificates of Title (TCT) Nos. 99702 (56,711sqm) and 99703 (28,356sqm).

As a result of the Compromise Agreement, PR Builders waived, ceded and assigned, among others, the following assets to the Company for and in consideration of the amount of ₱42,500,000.00 which ALCO paid to PR Builders in 2008 for the benefit of EIB:

- The Batangas Properties, and
- The forty-five percent (45%) equity investment in UPHI.

PR Builders also caused one of its shareholders, Mr. Pablito Villarin, to sell to the Company his rights, title and interest in the 1.8-hectare Tagaytay Property which is adjacent to the 33-hectare property owned by UPHI. The consideration for the Tagaytay Property was included in the ₱42.5 million that the Company paid to PR Builders in 2008.

In addition to the ₱42.5 million paid to PR Builders, the Company also undertook to pay EIB the sum of ₱13 million, the same amount it had returned to the SPV, for the assignment in favor of the Company of EIB's rights, title, interest and participation in the Batangas Properties and the shares in UPHI. The Company's records show that it had paid EIB ₱13 million in March 2011. Thereafter, in April 2011, the Deed of Absolute Sale for the Batangas Properties was executed between EIB and the Company.

In documenting the sale of the Batangas Properties, the Company understood that EIB allocated ₱9.702 million out of the ₱13 million it had received from the Company to the Batangas Properties. Thus, the Deed of Absolute Sale between EIB and ALCO for the Batangas Properties reflected the amount of ₱9.702 million.

The total acquisition cost of the Company for the above assets was ₱55.5 million, comprised of the ₱42.5 million paid to PR Builders in 2008 and the ₱13 million paid to EIB in 2011. The carrying values of the Batangas Properties and the Tagaytay Property amounting to ₱34.1 million and ₱10.9 million[16], or ₱45 million combined, represent the amounts allocated to these assets from the total acquisition cost of ₱55.5 million.

Information on the carrying values of the Batangas Properties and the Tagaytay Property was disclosed in Note 6.1(b) of the December 31, 2011 Audited Financial Statements of the Company. The same information was disclosed in the Note 7(d) of the December 31, 2008 Audited Financial Statements of the Company.

Based on the appraisal reports dated June 30, 2024, the fair value of the Batangas Properties and the Tagaytay Property amounted to ₱302.5 million.

OPERATING LEASE COMMITMENTS — GROUP AS LESSOR

ALCO entered into various lease agreements for ACPT office units for periods ranging from one (1) year to 10 years. Majority of these lease agreements include an annual escalation clause of 5% of the existing lease rental. None of them provide for any contingent rent.

In addition, MPI has various lease agreements for the retail units in Arya Residences. The term of the lease ranges from two (2) to five (5) years. The lease agreements also provide for various escalation rates for the duration of the agreements.

Cazneau also entered into lease agreements for its dormitory units in Courtyard Hall, the term of which is one (1) academic trimester equivalent to four (4) months, renewable for another trimester.

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[16] Includes amounts paid by Arthaland for taxes and other transfer related expenses for the Tagaytay Property of approximately ₱1.1 million in addition to the ₱55.5 million total amount paid to PR Builders and EIB.

CLLC likewise entered into lease agreements covering approximately 52% of the NLA for its investment property in Cebu Exchange. The average term of the lease contracts is for five (5) years and also provide for escalation rates for the duration of the lease.

Leasing revenue recognized from these operating leases amounted to ₱211.1 million for the period ended June 30, 2024, and in full year, ₱366.3 million in 2023,₱308.4 million in 2022, and ₱325.5 million in 2021. As of June 30, 2024, December 31, 2023 and 2022, lease receivables amounted to ₱214.9 million, ₱170.4 million and ₱123.9 million, respectively, while accrued rent receivable amounted to ₱381.94 million, ₱39.4 million and ₱46.9 million, respectively. Also as of June 30, 2024, December 31, 2023 and 2022, advance rent from tenants amounted to ₱92.1 million, ₱66.0 million and ₱79.1 million, respectively, and security deposits, which may be applied to unsettled balances or refunded at the end of the lease term, amounted to ₱144.9 million, ₱109.2 million and ₱127.8 million, respectively.

As of August 31, 2024, the following are the relevant information on the leases:

Project	NLA	% Leased out	Escalation	Expiry
ACPT	21,089* sqm	100%*	Range of 2 to 5% pa from 2nd to 3rd year of lease term	Substantially all contracts contain lease terms expiring on various dates from 2026 to 2028
ARYA	1,968 sqm	89%	5% pa from 2nd year of lease term for 53.2% of leased area. There is no escalation provision for the balance 46.8% of the leased area.	Various dates from 2024 to 2028
COURTYARD HALL	348 beds	57%	not applicable	2024
CEBU EXCHANGE	16,003	52%	Various escalation rates ranging from 3% to 5%	Various dates from 2028 to 2029

*Of the 32,016 sqm of NLA, the Company owns 21,089 sqm representing approximately 66% of the total NLA. Of the 21,089 sqm owned by the Company 100% is covered by lease contracts.

The percentage of related party lessees is insignificant compared to the total leasable space of the Company. Related parties who occupy ACPT and Cebu Exchange only represent approximately 1% of respective leasable spaces on these projects, while there are no related party lessees from Courtyard Hall and Arya Plaza.

The Company has a policy of restricting lease agreements with POGOs. As a result, the Company does not have any exposure to the POGO sector.

OPERATING LEASE COMMITMENTS — GROUP AS LESSEE

ALCO is a lessee under non-cancellable operating leases. For short-term and low value leases, rent expense recognized amounted to ₱ 8.0 million for the period ended June 30 2024, and in full year, ₱ 6.1 million in 2023, ₱3.6 million in 2022 and ₱2.3 million in 2021.

In 2024, the Group entered into long-term leases with terms of 3 to 5 years. Lease liabilities and right-of-use assets recognized in relation to these long-term leases amounted to ₱19.7 million and ₱19.6 million, respectively, as at June 30, 2024.

The table below summarizes the list of properties currently being leased by the Company and its subsidiaries:

Leased Property	Lessor	Lessee	Lease Term	Renewal Option	Lease Rate (Php)	Escalation
Cebu Exchange Retail 2-B (Showroom)	Eklektos Estates, Inc.	Cebu Lavana Land Corp.	July 2024 to December 2025	Renewable	128,000	3%
Staffhouse	Harley Y. Yunam	Cebu Lavana Land Corp.	February 2024 to January 2027	Renewable	119,070	7% on the 2nd year
Lucima Model Unit Retail 2-A	Eklektos Estates, Inc.	Bhavana Properties, Inc.	July 2024 to December 2025	Renewable	131,909	3%
Vehicles for management employees	BDO Finance Corporation	Arthaland Corporation	Ranges from 3 to 5 years	Not applicable	Based on the car plan policy	Not applicable

As of the date of this Prospectus, ALCO does not have a major lease agreement, as lessee.

Legal Proceedings

As of the date of this Prospectus, with the exception of the following cases, neither ALCO nor any of its subsidiaries is a party to any legal action arising from the ordinary course of its respective businesses:

1. **Termination of Trust Account**

In February 2015, ALCO filed a claim before the Regional Trial Court of Makati City, Branch 149 in relation to the petition for liquidation of Export and Industry Bank (EIB) represented by the Philippine Deposit Insurance Corporation (PDIC). ALCO maintained a Trust Account with EIB prior to its closure in April 2012 and had demanded from PDIC the termination of said account and the release of the owner's duplicate copies of three (3) transfer certificates of title which had been placed in the custody of the EIB Trust Department (the "Titles"). These Titles belong to ALCO and UPHI. ALCO does not have any interest in the remaining assets of the bank to be liquidated, but it was constrained to make this claim before the liquidation court given that PDIC refused to act on the matter.

In an Order dated May 8, 2017, ALCO was directed to file the necessary complaint and for PDIC to submit its Answer in order that there is a separate docket and hearing of the same, and thereby enable the court to have a full and complete resolution of the issues presented by ALCO.

However, in view of Administrative Matter No. 19-12-02 or the *Rules on Liquidation of Closed Banks* issued on April 16, 2020, ALCO, upon advice of counsel, deemed it more appropriate to have all its claims against EIB ventilated before the liquidation court itself, i.e. Regional Trial Court of Makati City, Branch 149, and for this purpose, filed an Urgent Motion before said court on February 13, 2023 for it to give due course to its foregoing claim.

On October 20, 2023, ALCO and UPHI filed a Motion to Resolve the *Entry of Appearance with Urgent Motion to Give Due Course to the Claim of ALCO and UPHI* stating that PDIC did not include or even mention the Titles in its recent Partial Asset Distribution Plan, which is the reason why it cannot yet file the Final Asset Distribution Plan.

On February 15, 2024, ALCO and UPHI filed its Second Motion to Resolve reiterating the foregoing claim. The parties are still awaiting resolution of the matter to date.

2. **Quieting of Title**

UPHI filed a complaint for quieting of title, among other reliefs, before the Regional Trial Court of Calamba, Laguna, Branch 36 because of the erroneous issuance of tax declarations to several individual defendants by the City of Tagaytay covering UPHI's 33-hectare property registered in Calamba City. It also wanted to seek clarification with respect to which city UPHI is under legal obligation to pay real property taxes, *i.e.,* Calamba City or Tagaytay City.

In a Decision dated December 16, 2019, the court dismissed the complaint for being premature considering both cities claim territorial jurisdiction over the property but there is no pending territorial dispute between them, and that said dispute may only be resolved through a joint session between their respective *Sangguniang Panlalawigan* (should be *Panlungsod*) pursuant to the Local Government Code. There is no cloud over the title and the court ruled that UPHI should continue paying real property tax to Calamba City because of the admission of Tagaytay City that UPHI's property is titled under the Torrens System which categorically states that it is located in Calamba City. Also, both cities had stipulated that the title to the property is in the custodial jurisdiction and safe keeping of the Register of Deeds of Calamba City, and Tagaytay City did not make any claim or request for the transfer of said title to its own custodial jurisdiction and safe keeping.

UPHI filed a Motion for Partial Reconsideration of the foregoing Decision. The court granted the same in an Order dated June 5, 2020 and declared, among others, that UPHI is the true and lawful owner of the 33-hectare property registered in its name and enjoined it to continue paying for the real property taxes in Calamba City. Further, in the event the local government of the City of Tagaytay insists that the subject property is within its territorial jurisdiction, the court directed the cities of Calamba and Tagaytay to make the initiative through their respective *Sangguniang Panlungsod* and through a joint session, resolve any territorial dispute between them in accordance with the Local Government Code of 1991.

The City of Tagaytay and one of the individual defendants[17] filed an appeal before the Court of Appeals but it affirmed the June 5, 2020 Order of the trial court on July 31, 2023, and denied their separate Motions for Reconsideration on February 15, 2024. They filed their respective appeals under Rule 45 of the Rules of Court but the Supreme Court has not acted on the same as of the date hereof.

3. Expropriation

Petitioner National Power Corporation (NAPOCOR) filed in November 1995 before the Regional Trial Court of Calamba, Laguna, Branch 34, a Petition for Expropriation of Properties to be affected by the Tayabas-Dasmariñas 500 kV transmission line right, which included a portion of UPHI's property with an area of about one (1) hectare. The court issued a Writ of Possession in favor of NAPOCOR in 1996.

In July 1999, NAPOCOR and UPHI agreed to refer to commissioners the determination of just compensation for UPHI. UPHI did not question the propriety of expropriation any further but continued to participate in the proceedings having found NAPOCOR's valuation unreasonable and to enable it to submit evidence as and when the commissioners required the same. The matter was eventually elevated before the Court of Appeals in 2015 and is still pending resolution to date.

UPHI amicably settled with the National Transmission Corporation (successor-in-interest of NAPOCOR) since it had already been deprived of effective use and enjoyment of a portion of the property. This will allow UPHI to recoup the cost of the parcel of land expropriated by NAPOCOR.

A Joint Motion to Approve the Compromise Agreement was filed with the Regional Trial Court of Calamba City, Laguna, Branch 34 on 15 April 2024 but the same was denied on the ground that the court already lost jurisdiction over the case when some of the parties (UPHI excluded) elevated the same to the Court of Appeals. The Motion for Reconsideration was likewise denied in an Order dated 17 May 2024 but the same is without prejudice to the re-filing of the Joint Motion to Approve the Compromise Agreement once the case records are remanded to the court.

4. Claim for Refund

a. A buyer[18] offered to purchase a unit in Arya Residences in November 2012, paid the reservation fee but failed to pay the final amortization and other charges which became due in January 2014, on the ground that a viewing of the unit was not allowed beforehand, notwithstanding that pursuant to the Contract to Sell signed, full payment of the account is required prior to turnover of the unit. A viewing of the unit is not scheduled until the account is fully paid since inspection is the Initial step of the turnover process. All buyers of Arya Residences were treated in the same manner.

   In November 2017, the buyer filed a complaint before the HLURB and demanded the return of all payments made in a span of one (1) year amounting to ₱942,718.53.

[17] The lone defendant who appealed is Ms. Rosalinda Reyes.
[18] The complainant is Ms. Anita Medina-Yu.

In a Decision dated April 5, 2019, ALCO was directed to refund to the buyer this amount and pay attorney's fees and actual damages in the total amount of ₱70,000.00.

On May 15, 2019, ALCO appealed the foregoing Decision before the Office of the President arguing, among others, that the Maceda Law should have been applied as it is the special law governing transactions that involve, subject to certain exceptions, the sale on installment basis of real property. However, the adverse Decision was affirmed in a Resolution dated October 1, 2021 on the ground of lack of jurisdiction per Section 42 of the Implementing Rules and Regulations of Republic Act (R.A.) No. 11201[19], *i.e.* the matter should have been brought before HLURB Arbiters and Commissioners and thereafter, to the Court of Appeals, and not the Office of the President.

In July 2022, ALCO filed before the Court of Appeals a Petition for Certiorari under Rule 65 of the Rules of Court to annul and reverse the Resolution of the Office of the President as it acted with grave abuse of discretion amounting to lack of jurisdiction, and there being no plain, speedy and adequate remedy in the ordinary course of law available to ALCO. Notwithstanding R.A. No. 11201, HLURB itself had stated in its Notice that "*Since the Resolution was promulgated by the Board xxx, appeal therefrom shall still be brought to the Office of the President in accordance with Section 5 of Executive Order No. 648, series of 1981*". With this instruction from the quasi-judicial body the appeal of whose resolution is sought, ALCO had to follow the quasi-judicial agency's directive to file its appeal before the Office of the President. The merits of the case should have been looked into and the appeal not denied on a mere technicality.

In its Decision dated September 11, 2023, the Court of Appeals denied ALCO's Petition for Certiorari. ALCO filed a Motion for Reconsideration which was likewise denied in a Resolution dated March 26, 2024. Thus, a Petition for Review on Certiorari was filed before the Supreme Court on May 10, 2024.

b. In March 2019, a husband and wife[20] agreed to purchase (6) condominium units in Savya Financial Center North Tower, paid the initial downpayment of ₱20,416,226.20 but defaulted in the rest of their obligations. The sale was duly cancelled, and all payments made were forfeited pursuant to the provisions in the contracts to sell they have executed with SLDC.

   The buyers filed a complaint before the Human Settlements Adjudication Commission (HSAC) on October 15, 2023 demanding a refund of all payments made, as well as interests, damages, and attorney's fees against SLDC and certain ALCO officers, and claiming that SLDC failed to comply with its undertaking to complete the development and delivery of their units in December 2021.

   Following the mandatory conference on March 26, 2024, the parties underwent mediation and thereafter, entered into a compromise whereby it was agreed, among others, that ALCO will apply the partial payments of the buyers to the purchase price of one commercial condominium unit and its appurtenant parking slot in Cebu Exchange, another development of ALCO, plus an additional three (3) non-appurtenant parking slots therein, which they had acquired. The Joint Motion to Render Judgement Based on Compromise filed on 16 August 2024 was approved on 29 August 2024.

5. Labor

[19] Department of Human Settlements and Urban Development Act
[20] The complainants are Spouses Cecilia Cuevas and Roger Cuevas.

a. On June 28, 2022, a former Sales Agent[21] of CLLC filed a complaint against ALCO before the National Labor Relations Commission Regional Arbitration Branch No. VII, Cebu City ("**NLRC"**) claiming illegal suspension and demanding payment of back wages, separation pay, 13th month pay, incentive and damages.

   In a Decision dated February 17, 2023, the Labor Arbiter dismissed the complaint for lack of merit as the complainant failed to prove that an employer-employee relationship exists between her and ALCO. Complainant's appeal was denied on June 15, 2023. In its Resolution dated September 28, 2023, the NLRC denied complainant's Motion for Extension to File a Motion for Reconsideration and the Motion for Reconsideration dated August 7, 2023 for lack of merit and for being filed out of time, respectively.

   The complainant filed on December 7, 2023 before the Court of Appeals a Petition for Certiorari under Rule 65 of the Rules of Court to set aside the foregoing decisions of the Labor Arbiter and the NLRC, which was later dismissed in a Decision dated January 31, 2024.

   On February 13, 2024, an Entry of Judgement was issued by the NLRC stating that the Resolution dated September 28, 2023 has already become final and executory on November 11, 2023 and is now being recorded in the Book of Entries of Judgement.

   The above notwithstanding, on March 6, 2024, the Complainant filed with the Court of Appeals a Motion for Reconsideration of its January 31, 2024 Decision and the parties are awaiting resolution of the matter.

6. Liquidation Proceedings of Lessee

On November 15, 2021, Common Ground Works Philippines, Inc. (CGWPI), a lessor of ALCO in ACPT (the "**Leased Premises**"), filed a Petition for Voluntary Liquidation with the Regional Trial Court of Taguig City, Branch 271 seeking to be declared insolvent and praying for the issuance of a liquidation order. ALCO was impleaded as a creditor for unpaid rentals, CUSA, other dues and penalties arising from the leased premises. The Court issued a Liquidation Order dated November 19, 2021 declaring CGWPI insolvent and dissolved.

ALCO filed its Statement of Claims on September 14, 2022 against CGWPI amounting to ₱172,666,437.23 as of July 29, 2022.

On July 3, 2023, the appointed liquidator filed a Motion for Leave of Court to conduct an inventory of CGWPI's assets which are allegedly being held by ALCO, which was granted *ex parte* in an Order dated July 14, 2023. ALCO filed a Motion for Reconsideration on July 31, 2023 on the ground that all improvements and fixtures introduced by CGWPI in the Leased Premises have already become ALCO's property pursuant to the Contract of Lease given CGWPI's default. The parties are awaiting resolution of the matter.

7. Republic Act No. 26

CLLC filed a Petition to cancel the annotation in Transfer Certificate of Title No. 107-2015002572, one of the parcels of land on which Cebu Exchange is constructed. The said annotation is pursuant to Section 7 of Republic Act No. 26 (otherwise known as "*An Act Providing a Special Procedure for the Reconstitution of Torrens Certificates of Title Lost or Destroyed*"). CLLC's title originated from reconstituted certificates of title that were judicially reconstituted on March 2, 1950. More than two years have lapsed since then, hence, the recorded encumbrance may now be canceled.

[21] The complainant is Ms. Dior Ella O. Abad.

In a Decision dated October 17, 2022, the Regional Trial Court of Cebu City, Branch 23 granted the Petition and directed the Register of Deeds of Cebu City to cancel the annotation pertaining to the reservation or encumbrance made pursuant to Section 7 of Republic Act No. 26. An Order of Finality of said decision was issued on May 9, 2023.

The potential effect of the foregoing cases on the financial statements of ALCO and its subsidiaries cannot be determined at the moment. However, it is believed that the effect thereof, if there is any, is not significant.

Ownership and Capitalization

SHARE CAPITAL

As of August 31, 2024, the Company has a total authorized capital of 16,368,095,199 common shares, of which 5,318,095,199 are issued and outstanding, and 80,000,000 preferred shares, of which 12,500,000 of the Series A Preferred Shares, 6,000,000 of the Series D Preferred Shares, and 14,000,000 of the Series E Preferred Shares are issued and outstanding.

Top 20 Stockholders

Common Shares (As of August 31, 2024)

Name of Shareholders	No. of Shares	%
1. CPG Holdings, Inc.	2,017,619,910	37.938
2. PCD Nominee Corporation – Filipino	1,649,028,924	31.008
3. AO Capital Holdings I, Inc.	1,383,730,000	26.019
4. Elite Holdings, Inc.	119,809,996	2.253
5. Tina Keng	25,000,000	0.470
6. PCD Nominee Corporation – Non-Filipino	16,081,185	0.302
7. EQL Properties, Inc.	14,671,125	0.276
8. Urban Bank Trust Department – A/C No.	4,838,488	0.091
9. RBL Fishing Corporation	4,350,000	0.082
10. Veronica D. Reyes	3,799,272	0.071
11. Veronica D. Reyes and/or Cecilia D. Reyes	2,654,061	0.050
12. Theodore G. Huang and/or Corazon B. Huang	2,501,250	0.047
13. Anito Tan and/or Lita Tan	2,027,049	0.038
14. Lourdes D. Dizon	1,740,000	0.033
15. Kwan Yan Dee and/or Christina Dee	1,631,250	0.031
16. Dante Garcia Santos	1,631,250	0.031
17. Luciano H. Tan	1,505,950	0.028
18. Josefina Tan Cruz	1,488,000	0.028
19. Samuel Uy	1,087,500	0.020
20. Datacom Systems Corp.	1,004,394	0.019
Total	5,256,199,604	98.836

The sole shareholder of the Series A Preferred Shares is MPI, a wholly owned subsidiary of ALCO.

All 20,000,000 Series B Preferred Shares were redeemed as of December 6, 2021 and have been cancelled from ALCO's capital stock, while all 10,000,000 Series C Preferred Shares were redeemed on June 27, 2024 and recorded as treasury shares.

The top stockholders of Series C Preferred Shares as of June 03, 2024 are as follows:

Name of Shareholders	No. of Shares	%
1. PCD Nominee Corporation – Filipino	9,975,480	99.755
2. PCD Nominee Corporation – Non-Filipino	24,520	0.245
Total	10,000,000	100.000

Following the approval of the Board of Directors of the Company on May 8, 2024, the Company redeemed on June 27, 2024 all the outstanding Series C Preferred Shares as of the record date of June 03, 2024 at a redemption price equal to the offer price thereof, or ₱100.00 per share, plus accrued and unpaid cash dividends due them as of June 27, 2024, after deducting transfer costs customarily chargeable to stockholders, as applicable.

ALCO's top stockholders of Series D Preferred Shares as of August 31, 2024 are as follows:

Name of Shareholders	**No. of Shares**	**%**
1. PCD Nominee Corporation – Filipino	5,914,520	98.5753
2. PCD Nominee Corporation – Non-Filipino	70,430	1.1738
3. G.D. Tan & Co., Inc.	13,000	0.2167
4. Knights of Columbus Fr. George J. Willman	1,000	0.0167
5. KC Philippines Foundation, Inc.	1,000	0.0167
6. Myra P. Villanueva	50	0.0008
Total	6,000,000	100.000

The sole shareholder of Series E Preferred Shares is also MPI.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

As of August 31, 2024, the following are persons directly or indirectly in the record and/or beneficial owner of more than five percent (5%) of any class of the Company's voting securities:

Title of Class	*Name and Address of Record Owners, Relationship with Issuer*	*Name of Beneficial Owner and Relationship to Record Owner*	*Citizenship*	*Number of Shares*	*% Held*
Common	CPG Holdings, Inc. *Stockholder* Suite 701-706, 7th Floor, Centerpoint Condominium, J. Vargas corner GarnetRoad, Ortigas Center,Pasig City	Christopher Paulus Nicolas T. Po, *Stockholder* Leonardo Arthur T. Po, *Stockholder* Teodoro Alexander T. Po. *Stockholder*	Filipino	2,017,619,910 Direct 125,000,000 Indirect	40.289
Common	AO Capital Holdings, Inc. *Stockholder* 7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street, Bonifacio Global City, Taguig City	Jaime C. González, *Stockholder*	Filipino	1,383,730,000 Direct	26.019

As of August 31, 2024, PCD Nominee Corporation (Filipino) is the holder of 1,649,028,924 Common shares, or 31.008% of the total issued and outstanding Common shares of ALCO.

ALCO is not aware of any voting trust agreements involving its shares.

As of August 31, 2024, to the best of ALCO's knowledge, there is no beneficial owner registered with the PCD Nominee Corporation that holds more than five percent (5%) of a class of shares of the Company.

SECURITY OWNERSHIP OF MANAGEMENT

As of August 31, 2024, there are no shares held or acquired beneficially by any of the directors and executive officers of ALCO other than the following:

Title of Class	*Name and Position of Record Owners*	*Citizenship*	*Number of Shares & Nature of Ownership*	*% of Class*
Common	Ernest K. Cuyegkeng *Chairman of the Board*	Filipino	1 Direct and Beneficial Owner	0.00 %
Common	Jaime C. González *Vice Chairman and President*	Filipino	76,715,151 Direct and Beneficial Owner	1.44 %
Common	Jaime Enrique Y. González *Director*	Filipino	1 Direct and Beneficial Owner	0.00 %
Common	Cornelio S. Mapa, Jr. *Treasurer and Executive Vice President*	Filipino	1 Direct and Beneficial Owner	0.00 %
Common	Christopher Paulus Nicolas T. Po *Director*	Filipino	1 Direct and Beneficial Owner	0.00 %
Common	Ricardo Gabriel T. Po *Vice Chairman*	Filipino	1 Direct and Beneficial Owner	0.00 %
Common	Denise Loreena V. de Castro *Independent Director*	Filipino	1 Direct and Beneficial Owner	0.00 %

Title of Class -----------	*Name and Position of Record Owners* --------------------------------	*Citizenship* --------------	*Number of Shares & Nature of Ownership* -----------------	*% of Class* ----------
Common	Hans B. Sicat *Independent Director*	Filipino	1 Direct and Beneficial Owner	0.00 %
Common	Andres B. Sta. Maria *Independent Director*	Filipino	1 Direct and Beneficial Owner	0.00 %
None	Riva Khristine V. Maala *Corporate Secretary and General Counsel*	Filipino	0	N.A.
None	Margeline C. Hidalgo *Assistant Corporate Secretary and Legal Counsel*	Filipino	0	N.A.

		TOTAL	**76,715,159 shares**	

Except as disclosed above, none of the Company's other executive officers or department managers own shares directly or indirectly in the Company. Their ownership in the Company is limited to those indicated in the foregoing.

VOTING TRUST HOLDERS

There are no persons holding more than five percent (5%) of a class of shares of the Company under a voting trust or similar agreement as of the date of this Prospectus.

CHANGES IN CONTROL

The Company has no knowledge of any arrangements that may result in a change in control of the Company.

SALE OF UNREGISTERED OR EXEMPT INCLUDING SECURITIES CONSTITUTING AN EXEMPT TRANSACTION

On August 30, 2016 and September 7, 2016, the BOD of ALCO (the "**BOD**") and stockholders representing at least 2/3 of the outstanding capital stock of the Company approved, respectively, the increase of its authorized capital by ₱50,000,000.00 or from ₱2,946,257,135.82 to ₱2,996,257,135.82 through the creation of 50,000,000 preferred shares with a par value of ₱1.00 per share as well as the corresponding amendments to ALCO's Articles of Incorporation. The SEC approved the said increase of authorized capital on September 22, 2016.

Pursuant to the board resolution approved on September 7, 2016, ALCO issued 12,500,000 Series A Preferred Shares, at an offer price of ₱1.00 per share, to its subsidiary, MPI. The issuance constitutes an exempt transaction under Section 10.1 of the SRC.

On December 14, 2018, ALCO's BOD approved granting options equivalent to not more than 90.0 million common shares to its qualified employees. The Stock Option and Compensation Committee was tasked to administer the implementation of this grant, which will include to whom and when the Options are to be granted and the effectivity dates thereof, and the number and class of shares to be allocated to each qualified employee, after considering the performance evaluation of said qualified employees vis-a-vis the result of the achievement of the Company's objectives for 2018. However, none of the qualified employees have exercised their options, which expired in February 2022.

The Stock Option and Compensation Committee pegged the price the option is to be exercised at the five-day volume weighted average price per share beginning December 17, 2018, or until December 21, 2018. Said price was at ₱0.85 per share.

On March 25, 2020, the price of the options granted as abovementioned was changed to ₱0.50 per share.

The total number of stock options granted to ALCO's officers and other employees at the time is 57,200,000 and classified in *Directors and Executive Officers & Key Persons: Executive Compensation Section* on page [196].

Having obtained the approval of the stockholders on January 31, 2024 to amend Article SEVENTH of the Articles of Incorporation to increase the authorized capital stock of the Company by ₱50,000,000.00 through the creation of 50,000,000 preferred shares with a par value of ₱1.00 per share, in order to meet the legal requirement that at least 25% of the amount to be increased must be subscribed and 25% of said subscription must be fully paid-up, pursuant to the board resolution approved also on January 31, 2024, ALCO issued 14,000,000 Series E Preferred Shares at an offer price of ₱1.00 per share, to its subsidiary, MPI. MPI subscribed to 14,000,000 Series E Preferred Shares at ₱1.00 per share on February 2, 2024, or a total subscription price of ₱14,000,000.00. Also on February 02, 2024, MPI partially paid for these shares in the total amount of ₱4,625,000.00. Upon the approval of the SEC Amendment on August 14, 2024, MPI fully paid for all Series E Preferred Shares. The issuance constitutes an exempt transaction under Section 10.1 of the SRC. The issuance constitutes an exempt transaction under Section 10.1 of the SRC.

FOREIGN EQUITY HOLDERS

Common shares owned by foreigners as of August 31, 2024 amount to 16,923,210 or 0.3182% of the Company's total number of outstanding shares entitled to vote.

Market Price of and Dividends on the Equity of ALCO and Related Shareholder Matters

Market Information

The common equity of ALCO is listed on the PSE. The high and low sales prices for each period are indicated in the table below.

	2024			2023			2022			2021		
Quarter	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
1	0.54	0.40	0.50	0.52	0.50	0.51	0.64	0.53	0.59	0.64	0.63	0.63
2	0.54	0.40	0.49	0.50	0.49	0.50	0.60	0.52	0.57	0.71	0.67	0.68
3	NA	NA	NA	0.485	0.470	0.485	0.62	0.50	0.53	0.64	0.64	0.64
4	NA	NA	NA	0.46	0.435	0.46	0.56	0.54	0.56	0.64	0.61	0.64

The closing price of the common shares as of August 30, 2024 is ₱0.415 per share [2.207 Billion].

The approximate number of shareholders on record as of August 31, 2024 is 1,914 for its common shares, one (1) for its Series A Preferred Shares, six (6) for its Series D Preferred Shares and one (1) for its Series E Preferred Shares.

Dividends and Dividend Policy

There are no unpaid cumulative dividends on the preferred shares. Also, the declaration of dividends by the Company is always subject to Section 2, Article VII of the By-laws which provides, as follows:

"Dividends shall be declared from the unrestricted retained earnings of the Corporation, including stock dividends from paid-in surplus, at such time and in such amounts as the Board of Directors may determine. Dividend declarations shall not in any manner reduce the paid-in capital of the Corporation. Unless otherwise resolved by the Board of Directors, a fraction of one-half or more of a share owing to a stockholder resulting from a declaration of stock dividends shall be issued as one full share, while a fraction of less than one-half share shall be disregarded.

Declaration of stock dividends shall be submitted to a stockholders' meeting for approval within forty (40) business days from such approval by the Board of Directors. The record date for stock dividends shall not be earlier than the date of approval by the stockholders.

Declaration of cash dividends shall have a record date which shall not be less than ten (10) business days but not more than thirty (30) business days from the date of declaration by the Board of Directors."

ALCO declared cash dividends to Common stockholders, as follows:

ALCO declared cash dividends to Common stockholders, as follows:

Declaration Date	Record Date	Payment Date	Amount/Share
June 28, 2013	July 26, 2013	August 22, 2013	₱0.012
March 10, 2014	March 28, 2014	April 22, 2014	₱0.036
March 9, 2015	March 23, 2015	April 8, 2015	₱0.012
February 28, 2017	March 14, 2017	April 7, 2017	₱0.012
March 21, 2018	April 6, 2018	May 2, 2018	₱0.012
June 21, 2019	July 8, 2019	July 31, 2019	₱0.012
June 26, 2020	July 10, 2020	July 31, 2020	₱0.012

Declaration Date	Record Date	Payment Date	Amount/Share
June 25, 2021	July 9, 2021	July 30, 2021	₱0.012
June 24, 2022	July 11, 2022	August 4, 2022	₱0.012
June 30, 2023	July 17, 2023	August 10, 2023	₱0.012
June 28, 2024	July 19, 2024	August 9, 2024	₱0.012

ALCO declared cash dividends to holders of Series B Preferred Shares until the date these shares were redeemed, as follows:

Declaration Date	Record Date	Payment Date	Amount/Share
February 8, 2017	February 24, 2017	March 6, 2017	₱1.76145
May 10, 2017	May 25, 2017	June 6, 2017	₱1.76145
August 9, 2017	August 23, 2017	September 6, 2017	₱1.76145
October 26, 2017	November 24, 2017	December 6, 2017	₱1.76145
January 10, 2018	February 9, 2018	March 6, 2018	₱1.76145
May 9, 2018	May 23, 2018	June 6, 2018	₱1.76145
August 1, 2018	August 16, 2018	September 6, 2018	₱1.76145
October 24, 2018	November 12, 2018	December 6, 2018	₱1.76145
February 21, 2019	March 1, 2019	March 6, 2019	₱1.76145
May 8, 2019	May 22, 2019	June 6, 2019	₱1.76145
August 7, 2019	August 22, 2019	September 6, 2019	₱1.76145
October 23, 2019	November 15, 2019	December 6, 2019	₱1.76145
January 29, 2020	February 14, 2020	March 6, 2020	₱1.76145
May 6, 2020	May 21, 2020	June 6, 2020	₱1.76145
August 5, 2020	August 19, 2020	September 6, 2020	₱1.76145
October 21, 2020	November 13, 2020	December 6, 2020	₱1.76145
January 27, 2021	February 15, 2021	March 6, 2021[22]	₱1.76145
May 5, 2021	May 19, 2021	June 6, 2021[23]	₱1.76145
August 4, 2021	August 20, 2021	September 6, 2021	₱1.76145
October 20, 2021	November 16, 2021	December 6, 2021	₱1.76145

ALCO declared cash dividends to holders of Series C Preferred Shares, as follows:

Declaration Date	Record Date	Payment Date	Amount/Share
August 8, 2019	September 6, 2019	September 27, 2019	₱1.7319
October 23, 2019	November 29, 2019	December 27, 2019	₱1.7319
January 29, 2020	March 6, 2020	March 27, 2020	₱1.7319
May 6, 2020	June 4, 2020	June 27, 2020	₱1.7319
August 5, 2020	September 4, 2020	September 27, 2020	₱1.7319
October 21, 2020	December 4, 2020	December 28, 2020	₱1.7319
January 27, 2021	March 8, 2021	March 27, 2021[24]	₱1.7319
May 5, 2021	June 7, 2021	June 27, 2021[25]	₱1.7319
August 4, 2021	September 7, 2021	September 27, 2021	₱1.7319
October 20, 2021	December 3, 2021	December 27, 2021	₱1.7319
February 23, 2022	March 10, 2022	March 28, 2022	₱1.7319
May 4, 2022	June 2, 2022	June 27, 2022	₱1.7319

[22] Following the terms of the offering of the Preferred Shares Series B, as the scheduled payment date fell on a weekend, payment of the dividends was made the following business day.
[23] *Ibid*.
[24] Following the terms of the offering of the Preferred Shares Series C, as the scheduled payment date fell on a weekend, payment of the dividends was made the following business day.
[25] *Ibid*.

Declaration Date	Record Date	Payment Date	Amount/Share
August 5, 2022	September 1, 2022	September 27, 2022	₱1.7319
October 26, 2022	December 5, 2022	December 27, 2022	₱1.7319
January 25, 2023	March 1, 2023	March 27, 2023	₱1.7319
May 3, 2023	June 1, 2023	June 27, 2023	₱1.7319
August 2, 2023	September 4, 2024	September 28, 2023	₱1.7319
October 25, 2023	November 29, 2023	December 27, 2023	₱1.7319
January 31, 2024	March 1, 2024	March 27, 2024	₱1.7319
May 8, 2024	June 3, 2024	June 27, 2024	₱1.7319

ALCO declared cash dividends to holders of Series D Preferred Shares, as follows:

Declaration Date	Record Date	Payment Date	Amount/Share
January 26, 2022	February 11, 2022	March 3, 2022	₱7.50
May 4, 2022	May 19, 2022	June 3, 2022	₱7.50
August 8, 2022	August 19, 2022	September 3, 2022[26]	₱7.50
October 26, 2022	November 14, 2022	December 5, 2022[27]	₱7.50
January 25, 2023	February 8, 2023	March 3, 2023	₱7.50
May 3, 2023	May 17, 2023	June 3, 2023[28]	₱7.50
August 2, 2023	August 16, 2023	September 3, 2023[29]	₱7.50
October 25, 2023	November 10, 2023	December 3, 2023[30]	₱7.50
January 31, 2024	February 15, 2024	March 3, 2024[31]	₱7.50
May 8, 2024	May 23, 2024	June 3, 2024	₱7.50
August 6, 2024	August 27, 2024[32]	September 3, 2024	₱7.50

No dividends were declared in 2016.

ALCO has not adopted a specific dividend payout policy.

Dividends may be declared at the discretion of the BOD and will depend upon the 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 BOD may deem relevant.

Similarly, the subsidiaries of ALCO may declare dividends at the discretion of their respective boards of directors and will depend upon the future results of operations and general financial condition, capital requirements, its ability to receive dividends and other distributions and payments from their respective subsidiaries, foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations and other factors their respective boards of directors may deem relevant.

On December 11, 2020, the BOD of APPS approved the declaration of cash dividends amounting to ₱2.0 million with record and payment date of December 31, 2020.

On February 24, 2021, the BOD of APPS approved the declaration of cash dividends amounting to ₱8.75M to stockholders of record as at March 8, 2021, to be paid on or before March 15, 2021. On January 10, 2023,

[26] Following the terms of the offering of the Preferred Shares Series D, as the scheduled payment date fell on a weekend, payment of the dividends was made the following business day.
[27] *Ibid.*
[28] *Id.*
[29] *Id.*
[30] *Id.*
[31] *Id.*
[32] In view of the change in the special non-working holiday from August 21, 2024 to August 23, 2024, and with August 26, 2024 declared a holiday also, the record date was adjusted from August 23, 2024 to August 27, 2024.

the BOD of APPS further approved the declaration of cash dividends amounting to ₱10.4 million to stockholders of record as at January 20, 2023 to be paid on January 25, 2023.

On March 18, 2021, the BOD of CLLC approved the declaration of cash dividends amounting to ₱330.0 million to stockholders of record as at May 14, 2021 which was fully paid on October 29, 2021. On December 23, 2021, the BOD of CLLC further declared cash dividends out of unrestricted retained earnings as of June 30, 2021 amounting to ₱839.0 million to stockholders of record as of December 27, 2021 to be paid out also on December 27, 2021.

On December 19, 2022, the BOD of SLDC declared cash dividends amounting to ₱513.4 million to all holders of Class A common shares as of January 12, 2023 to be paid out beginning January 27, 2023. Thereafter on August 25, 2023, the BOD of SLDC declared cash dividends in the total amount of ₱530.0 million to be paid out beginning September 13, 2023. On February 23, 2024, the BOD of SLDC declared cash dividends amounting to ₱390.0 million to holders of Class A common shares as of March 12, 2024 to be paid out on March 20, 2024.

On December 19, 2022, the BOD of KHI declared cash dividends amounting to ₱500.0 million to stockholders of record as of January 12, 2023 to be paid out on January 30, 2023. On August 25, 2023, the BOD of KHI declared cash dividends in the total amount of ₱530.0 million to stockholders of record as of September 11, 2023 to be paid out on September 18, 2023. On February 23, 2024, the BOD of KHI further declared cash dividends amounting to ₱390.0 million to be paid out on March 21, 2024.

On May 3, 2023, the BOD of Cazneau approved the declaration of cash dividends amounting to ₱150.0 million to stockholders of record as of June 9, 2023 to be paid out beginning August 4, 2023. On July 26, 2024, the BOD of Cazneau approved the declaration of cash dividends amounting to ₱150.0 million to stockholders of record as of August 23, 2024 to be paid out beginning December 09, 2024.

On October 23, 2023, the BOD of Bhavana approved the declaration of cash dividends amounting to ₱130.0 million to stockholders of record as of November 9, 2023 to be paid out beginning November 10, 2023.

Directors and Executive Officers & Key Persons

The overall management and supervision of the Company is vested in its BOD. The Company's officers and management team cooperate with its BOD by preparing relevant information and documents concerning the Company's business operations, financial condition and results of operations for the review and action by the BOD. At present, the BOD consists of nine members, including three independent directors in accordance with the requirements of the SRC.

Members of the Board of Directors

All of the Company's directors were elected at the Company's annual stockholders' meeting held last June 30, 2023 and will continue to serve as such until the next annual stockholders' meeting or until their successors have been duly elected and qualified. Information on each member of the Company's BOD as of the date of this Prospectus, including each director's term of office as a director and the period during which the director has served is set out in the table below.

Name	Age	Position in ALCO	Period	Citizenship
Ernest K. Cuyegkeng	78	Chairman/Regular Director	June 24, 2016-Present	Filipino
		Chairman/Independent Director	June 6, 2012 –June 24, 2016	
		Independent Director	May 21, 2007 – June 6, 2012	
Jaime C. González	78	Vice Chairman/Regular Director	August 1, 2016 – Present	Filipino
		President	March 1, 2017–-Present	
		Regular Director	June 6, 2012 – August 1, 2016	
		Chairman/Regular Director	May 21, 2007 – June 6, 2012	
Ricardo Gabriel T. Po	56	Vice Chairman/Regular Director	June 26, 2015–-Present	Filipino
		Regular Director	March 28, 2012 – June 26, 2015	
Jaime Enrique Y. González	47	Regular Director	June 24, 2011 – Present	Filipino
Christopher Paulus Nicolas T. Po	53	Regular Director	June 24, 2011–-Present	Filipino
Cornelio S. Mapa, Jr.	58	Treasurer and Executive Vice President/Regular Director	June 25, 2021–-Present	Filipino
Denise Loreena V. De Castro	48	Independent Director	June 30, 2023 – Present	Filipino

Hans B. Sicat	64	Independent Director	June 30, 2017 – Present	Filipino
Andres B. Sta. Maria	75	Independent Director	June 24, 2016 – Present	Filipino

The directors' previous and present positions and tenure in listed companies other than ALCO are likewise summarized below:

PREVIOUS AND PRESENT POSITIONS AND TENURE IN LISTED COMPANIES OTHER THAN ALCO		
Name	**Position/Company**	**Period**
Ernest K. Cuyegkeng	*Director/Consultant*–- A. Soriano Corporation	April 2024 – Present
	Director/President – A. Soriano Corporation	April 2022 – April 2024
	Director/Executive Vice President/Chief Financial Officer – A. Soriano Corporation	April 2009 – March 2022
	Director – iPeople, Inc.	2016 – Present
Jaime C. González	*Chairman of the Board* – IP E-game Ventures, Inc.	October 2005 – 2020
	Independent Director – Southeast Asia Cement Holdings, Inc. (subsidiary of Lafarge S.A.)	1998 – April 2013
	Independent Director–- Euromoney Institutional Investors PLC (UK publicly listed media company)	November 2005 – January 2013
	Director – Export and Industry Bank, Inc. (Chairman of the Board from May 2006)	February 2006 – April 2012
Ricardo Gabriel T. Po	*Vice Chairman/Director* – Century Pacific Food, Inc.	October 2013 – Present
	Vice Chairman/Director–- Shakey's Pizza Asia Ventures, Inc.	March 2016–- Present
Jaime Enrique Y. González	*Deputy Chairman/President* – IP E-game Ventures, Inc.	October 2005 – Present
Christopher Paulus Nicolas T. Po	*Chairman, President & Chief Executive Officer/Director* – Century Pacific Food, Inc.	June 2013 – March 2018
	Executive Chairman – Century Pacific Food, Inc.	March 2018 – Present
	Chairman/Director–- Shakey's Pizza Asia Ventures, Inc.	March 2016 – Present

Cornelio S. Mapa, Jr.	Chief Financial Officer – Ginebra San Miguel Inc. (Formerly La Tondena Distillers, Inc.)	1996–- 2002
	Executive Vice President and Managing Director (Corporate Strategy) – Universal Robina Corporation	2010 – 2019
	Senior Vice President (Strategy, Investments and New Builds) – JG Summit Holdings, Inc.	2018–- 2020
Hans B. Sicat	President – Philippine Stock Exchange	2011 – 2017
	Director – Philippine Stock Exchange	2018–- 2019
Andres B. Sta. Maria	Director – South East Asian Cement, Inc.	2000 – 2013

The business experience of each of the Company's directors for the past five years is described below.

Ernest K. Cuyegkeng, Filipino, recently retired as President and Chief Operating Officer of A. Soriano Corporation but remains a consultant thereof. His other concurrent positions include being the President and Director of Phelps Dodge Philippines International, and a Director of Seven Seas Resorts & Leisure, Prople, KSA Realty, Phinma Insurance Brokers, Inc., iPeople, Inc., Sumifru Singapore and Sumifru Philippines. He is also a Trustee of Andres Soriano Foundation and is a member of the Makati Business Club, Management Association of the Philippines, and Financial Executive Institute of the Philippines. He holds a Bachelor of Arts degree in Economics and a Bachelor of Science degree in Business Administration, both from the De La Salle University. He also obtained a master's degree in business administration from the Columbia Graduate School of Business in New York.

Jaime C. González, Filipino and a graduate of Harvard Business School (MBA) and De La Salle University in Manila with degrees in Bachelor of Arts in Economics (cum laude) and Bachelor of Science in Commerce (cum laude), is a visionary leader in the Philippine real estate industry, serving as Arthaland's Vice Chairman and President since 2017. He is also the founder and Chairman of AO Capital Partners, a financial and investment advisory firm with headquarters in Hong Kong, originally a joint venture with AIG, New York. Mr. González has been involved with a number of other companies internationally, including as an independent director of Euromoney Institutional Investor PLC, a UK publicly listed media company. Apart from these, he was a Managing Director of a large US investment bank with regional responsibilities. He also held the position of Special Trade Negotiator at the Ministry of Trade and Industry in the Philippines and served as the Vice Chairman and President of the Philippine International Trading Corporation, the Government's international trading arm. He was once a partner of SGV & Co. with a principal focus on assisting clients in establishing and arranging funding for projects throughout the Asian region. His dedication and passion extend beyond the realm of business. Mr. González is active in socio-cultural organizations such as the Philippine Map Collectors Society, where he is the President, the World President's Organization, and the International Wine and Food Society.

Jaime Enrique Y. González, Filipino, is currently the CEO of IPVI, the Philippines' leading venture builder and accelerator. He is also the founder of IPVG Corp., E-games, and IP-Converge, Inc., which all listed on the PSE. Enrique has spent the last two decades building leading internet, technology and telecom businesses in the Philippines which include leading data center provider that serviced Philippines, HK and Singapore. He has also invested in on-shore and undersea fiber optic cable networks and was the principal shareholder behind Prolexic Technologies (which was acquired by Akamai). He sits on the investment committee of several venture capital funds including Emissary Capital and is an active investor in the Southeast Asia technology eco-system. Enrique is committed to continuous learning. He went to Harvard Business School (Owner-President Management [OPM] Program), is a Kauffman Fellow and a London Business School alumnus, and is also completing another Master's program with Tsinghua University. He allocates a fair amount of time to serve non-profit boards and to 'pay it forward'. He is on the board of Young Presidents' Organization (Philippines), Board of Trustees of Asia Society (Philippines), and serves on the board of the Harvard Business School OPM alumni of the Philippines.

Christopher Paulus Nicolas T. Po, Filipino, is the Executive Chairman of Century Pacific Food, Inc., a food company listed in the PSE. He concurrently serves as Chairman of Shakey's Pizza Asia Ventures, Inc., likewise a listed chain restaurant business, and is an independent director of Maya Bank, Inc. and a director of AB Capital and Investment Corporation. Prior to those roles, he was Managing Director for Guggenheim Partners, a U.S. financial services firm where he was in charge of the firm's Hong Kong office. Previously, he was a Management Consultant at McKinsey & Company working with companies in the Asian region. He also worked as the Head of Corporate Planning for JG Summit Holdings, a Philippine-based conglomerate with interests in food, real estate, telecom, airlines and retail. He graduated in 1991 from the Wharton School and College of Engineering of the University of Pennsylvania with dual degrees in Economics (finance concentration) and applied science (system engineering). He holds a master's degree in business administration from the Harvard University Graduate School of Business Administration. He is a member of the Board of Trustees of the Ateneo de Manila University, serves as a Board member of the Child Protection Network as well as Asia Society Philippines, and is the President of the CPG-RSPo Foundation.

Cornelio S. Mapa, Jr., Filipino, presently the Treasurer and Executive Vice President of Arthaland, oversees the Finance Group and the Information Technology Department. He previously had several senior executive roles with the Gokongwei Group of companies and its subsidiaries until 2020. His last position was Senior Vice President, Investments and New Builds of JG Summit Holdings, Inc., a role he carried out concurrently as Executive Vice President for Corporate Strategy of Universal Robina Corporation (URC). He was also the Executive Vice President and Managing Director of the URC Branded Consumer Food Group and before then, he served as Senior Vice President at Robinsons Land Corporation, with the functional role of General Manager of the Commercial Centers Division. Prior to joining the Gokongwei Group of companies, he was Senior Vice President and Chief Financial Officer of Coca Cola Bottlers Philippines, including its subsidiaries, Cosmos Bottling and Philippine Beverage Partners. He was also Senior Vice President and Chief Financial Officer of La Tondeña Distillers, Inc. Mr. Mapa earned his Bachelor of Science degrees in Economics and International Finance from New York University, and obtained his master's degree in business administration from International Institute for Management Development in Lausanne, Switzerland.

Ricardo Gabriel T. Po, Filipino, is the Vice Chairman of Century Pacific Food, Inc. (CNPF), and concurrently serves as Vice Chairman of Shakey's Pizza Asia Ventures, Inc. He was the Executive Vice President and Chief Operations Officer of CNPF from 1990 to 2006 and became the Vice Chairman of its Board of Directors in 2006. He graduated magna cum laude from Boston University with a Bachelor of Science degree in Business Management in 1990. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School in 2000.

Denise Loreena V. de Castro, Filipino, was elected as an independent director on June 30, 2023, replacing Mr. Fernan Victor P. Lukban, whose term of office had expired. Ms. De Castro is the Principal Architect of DEQA Design Collaborative (formerly DDC Architectural Studio), an award-winning studio she founded in 2010 that integrates planning, architecture, interior, and product design with the expertise of affiliated specialty consultants. She obtained her Bachelor of Arts in Architecture at Wellesley College and earned her Master's degree in Architecture from Harvard University Graduate School of Design. She worked previously at IDEO (San Francisco) and Lor Calma Design Associates (Manila). Multiple publications and associations recognize her as one of the Philippines' Best Architects. Her practice focuses on designing for the well-being and sustainability of people and the planet through their unique methodology of Well-Living Design.

Hans Brinker Sicat, Filipino, is currently a Managing Director in Ares Management Corporation, a U.S. publicly listed alternative investment manager. He is with Ares' private equity group, which is used to be known as Crescent Point, a Singapore based private equity firm focused on Asian opportunities. He is also currently the Chairman of Projuris Corporation and Director of Philippine Bank of Communications. He has been a leader in the financial services industry for many years and was most recently the Country Manager and Managing Director of ING Bank in the Philippines, a post he occupied from 2017 to 2022. Prior to joining ING, he was the CEO of the PSE from 2011 to 2017 and was concurrent President & CEO of the Securities Clearing Corporation of the Philippines and a Director of the Philippine Dealing System Holdings Corporation, the country's Fixed Income Exchange. Mr. Sicat has been involved with various global and sectoral activities and has been an Independent Director of a number of private firms in the Conglomerates, TMT and Real Estate spaces. He was with the Young Presidents' Organization (YPO and YPO Gold) for nearly two decades, an active leader in different roles, including the Membership and Engagement Chairman for the Philippines' chapter, and a member of the regional South East Asian board and the country Executive Committee. He has also served as a Member of the Board of Directors of the Bankers Association of the Philippines (BAP) and the Investment House Association of the Philippines (IHAP), serving as Committee Chairman for different roles. A mathematician and economist, Mr. Sicat has been a practitioner in the Global Capital Market for over three decades – he was an investment banker with Citigroup and its predecessor firms (Salomon Brothers & Citicorp Securities) in various roles in New York, Hong Kong and the Philippines, including the Country Board of Citigroup Philippines. He finished his coursework for Ph.D. Economics Program at the University of Pennsylvania, Philadelphia. He was conferred an Honorary Doctorate Degree in Business Administration by the Western University in Thailand. He earned his Master of Arts in Economics and Bachelor of Science in Mathematics at the University of the Philippines.

Andres B. Sta. Maria, Filipino, was senior partner and a member of the executive committee of the law firm SyCip Salazar Hernandez & Gatmaitan. For over 25 years until he retired, he headed the firm's Special Projects Group, which focused on acquisitions, privatization, power and energy, and industrial and infrastructure projects. He studied at the University of the Philippines, Cornell University and New York University and holds Bachelor of Science in Business Administration, Bachelor of Laws, and Master of Laws degrees. Before SyCip, he worked with the New York law firms Cleary Gottlieb Steen & Hamilton and Coudert Brothers. Mr. Sta. Maria maintains a private practice in commercial and corporate law.

Executive Officers and Significant Employees

In addition to the directors listed above, the following are the names, ages and citizenship of the Company's executive officers and significant employees elected and appointed as of the date of this Prospectus.

<table>
<tr><th>Name</th><th>Age</th><th>Position</th><th>Years Served in the Company</th><th>Citizenship</th></tr>
<tr><td rowspan="4">Riva Khristine V. Maala</td><td rowspan="4">52</td><td>Corporate Secretary and General Counsel</td><td>February 8, 2017 – Present</td><td rowspan="4">Filipino</td></tr>
<tr><td>Compliance Officer</td><td>March 1, 2017 – Present</td></tr>
<tr><td>Vice President - Head of Legal and Compliance Department</td><td>October 1, 2012-Present</td></tr>
<tr><td>Assistant Corporate Secretary/Corporate Information Officer</td><td>May 21, 2007 – February 7, 2017</td></tr>
</table>

Name	Age	Position	Years Served in the Company	Citizenship
		Vice President - Investor Relations Officer	October 1, 2012 – February 7, 2017	
Christopher G. Narciso	55	Executive Vice President - Head of Business Operations Group	May 9, 2018–- Present	Filipino
Sheryll P. Verano	47	Senior Vice President - Head of Corporate Strategic Funding and Investments and Investor Relations Officer	March 21, 2018–- Present	Filipino
		Vice President - Head of Corporate Strategic Funding and Investments and Investor Relations Officer	February 8, 2017 –March 21, 2018	
		Vice President - Head, Strategic Funding and Investments	July 1, 2016 - February 8, 2017	
Oliver L. Chan	43	Senior Vice President/Head of Sales Operations and Project Marketing and Leasing Operations	March 21, 2018–- Present	Filipino
		Chief Sustainability Officer	October 16, 2022–- Present	
Leilani G. Kanapi	50	Vice President - Head of Strategic and Procurement Department	March 21, 2018–- Present	Filipino
Marivic S. Victoria	52	Chief Finance Officer – Head of Finance Department	October 1, 2022–- Present	Filipino
		Deputy Chief Finance Officer	January 3, 2022 –-September 30, 2022	
Joseph R. Feliciano	54	Risk Management Officer	December 15, 2021–- Present	Filipino
		Vice President - Head of Internal Audit and Risk Department	August 17, 2020–- Present	
Alex D. Miguel	60	Vice President—Head of Technical Services Group	August 5, 2022–- Present	Filipino
Felix Cicero C. Tiukinhoy	52	Vice President – Head of Customer Accounts Management Department	August 1, 2023–- Present	Filipino

Name	Age	Position	Years Served in the Company	Citizenship
		Anti-Money Laundering Council Compliance Officer	January 1, 2024–- Present	
Maria Elena M. Fajardo	40	Vice President–- Head of the Human Resources and Administration Department	October 25, 2023–- Present	Filipino
Gerard Vincent Casanova	40	Head of Information and Technology Department	February 1, 2024 – Present	Filipino
		Data Privacy Officer		
Margeline C. Hidalgo	36	Assistant Corporate Secretary	June 24, 2022–- Present	Filipino
		Legal Counsel	January 16, 2020–- Present	

The business experiences covering the past five years of the Company's executive officers and significant employees who are expected to make a significant contribution to the business of ALCO are described below.

Riva Khristine V. Maala, Filipino, holds a Bachelor of Arts degree in Philosophy (cum laude) and a Juris Doctor degree, both from the University of the Philippines. She was an Associate Attorney of Fortun Narvasa and Salazar Law Offices before working in the banking industry for eleven years as documentation lawyer, among others. Atty. Maala became ALCO's Head of Legal Affairs and Investor Relations on October 1, 2012, and likewise acted as its Assistant Corporate Secretary and Corporate Information Officer until February 8, 2017 when she was appointed as Corporate Secretary and General Counsel. In addition, she performs the responsibilities of ALCO's Compliance Officer, having assisted ALCO's previous compliance officers on their tasks as such.

Christopher G. Narciso, Filipino, is the Executive Vice President who oversees the concerns of ALCO's Business and Project Development, Customers Account Management, Construction Management, Planning and Design, Construction Cost Management, and Strategic Procurement. Prior to joining ALCO in 2018, Mr. Narciso was an Executive Director of the Philippine Transmarine Carriers Group and the Concurrent Chief Operating Officer of ACM Landholdings, Inc. He was also at one time the Chief Operating Officer of Taft Property Ventures Development Corporation, a member of Metro Gaisano Vicsal Development Corporation. He worked at Robinsons Land Corporation from 2007 until 2013, and Narel Realty and Development Corporation from October 1995 to March 2007. Mr. Narciso graduated from the De La Salle University with a Bachelor of Science degree in Industrial Management Engineering, minor in Chemical Engineering, and also earned units in Master's degree in Business Administration from the University of Western Australia. He is a past National President of the Subdivision and Housing Developers Association.

Sheryll P. Verano, Filipino, is the Head of Strategic Funding & Investments and Corporate Planning and is ALCO's Investor Relations Officer. She is a finance professional with over 20 years-experience in financial advisory, debt and equity capital raising, debt restructuring and mergers and acquisitions. Prior to joining ALCO in June 2016, she was Associate Director in American Orient Capital Partners (Philippines) and was with the Global Corporate Finance group of SGV and Co. She received her CFA Charter in 2006 and was one of the topnotchers in the 1999 CPA Board Exams. She graduated cum laude from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy.

Oliver L. Chan, Filipino, is the Head of Sales and Leasing Operations and oversees Marketing and Corporate Communications. He is a mechanical engineer who obtained his degree from the University of Santo Tomas.

Prior to joining ALCO in 2008, he was the Property Manager of Ayala Property Management Corporation who handled the operations of Ayala Land Inc.'s premiere retail and recreation centers, namely, the Greenbelt complex, Ayala Museum, San Antonio Plaza in Forbes Park and the retail spaces at The Residences at Greenbelt. Because of his strong customer service background, he is concurrently the President of Arthaland Prestige Property Solutions, Inc. (formerly Emera Property Management, Inc.), the property management arm of ALCO, and effective October 16, 2022, he was appointed as ALCO's Chief Sustainability Officer.

Marivic S. Victoria, Filipino, was appointed as Chief Finance Officer on October 1, 2022. She is a seasoned executive with more than two (2) decades of experience in Finance, Controllership, Audit and Taxation. Prior to joining ALCO as Deputy Chief Finance Officer on December 15, 2021, she was the Treasurer and CFO of the Philippine office of Capmark Financial Group and Elite Union Group. She started her career in SGV and Company. She is a Certified Public Accountant who obtained her MBA from the joint program of Ateneo de Manila University and Regis University. She completed the Executive Development Program of the Wharton School of the University of Pennsylvania and attended the training on Circular Economy and Sustainability Strategies of the Judge Business School of the University of Cambridge.

Joseph R. Feliciano, Filipino, was appointed Internal Audit Head in 2020 and was thereafter promoted to Internal Audit and Risk Management Officer on December 15, 2021. He obtained from Far Eastern University his Bachelor of Science degree in Commerce major in Accounting (*cum laude*). He also earned several units of his Master's degree in Business Administration from the De La Salle University-Graduate School of Business. Mr. Feliciano is a seasoned internal audit professional with more than 25 years work experience. He is a Certified Internal Auditor (CIA) and Certified Public Accountant (CPA). Prior to joining ALCO, he was the Head of Internal Audit of TrueMoney Phils. He was also previously the Regional Audit Manager for the Asian region of VisionFund International and the Country Audit Head of Sun Life of Canada. He held key audit positions in companies such as Sumisho (subsidiary of Sumitomo Corporation of Japan), Citigroup, ABS-CBN and Manulife. He has recently been elected as a member of the Board of Trustees of the Institute of Internal Auditors (IIA)-Phils for 2023-2024. IIA is a global institute that has a network of affiliates serving members in the fields of internal auditing, risk management, governance, internal control, IT audit, education, security, and management. He has experience in controllership and finance.

Leilani G. Kanapi, Filipino, joined ALCO in March 2008 initially as part of the Technical Services team. She was eventually tasked to head the Procurement Department in August 2009. She worked previously with Rockwell Land Corporation where she took on roles in Estate Management, Handover and Project Development. Prior to that, she was with CB Richard Ellis as Business Development and Operations Manager for the Property and Facilities Management Group. Ms. Kanapi graduated from the University of Santo Tomas with a Bachelor of Science degree in Civil Engineering and obtained a Master's degree in Business Administration from Pepperdine University, USA where she also had the opportunity to join the Student Exchange Program in Marseille, France. She has been among the representatives of ALCO to the Philippine Green Building Council since 2010 and she was recently elected as a member of its Board of Trustees.

Alex D. Miguel, Filipino, was appointed as one of the Vice Presidents of the Technical Services Group on August 5, 2022. He is a graduate of the Holy Angel University in Angeles City, Pampanga, with a Bachelor of Science degree in Civil Engineering. He has more than 36 years of work experience in Construction Management, specifically estate development and residential and commercial construction for vertical and horizontal projects. He worked previously with D.M. Consunji, Inc., Makati Development Corporation, Alveo Land Corporation, Taft Property Ventures & Development Corporation, Federal Land, and most recently, Shang Properties, Inc.

Felix Cicero C. Tiukinhoy, Filipino, was appointed as Head of Customer Account Management on August 1, 2023. He finished his formal education from De La Salle University with an Economics Degree. He took up his Master's degree in Business Management from the Asian Institute of Management. Prior to joining ALCO, he was the Group CFO of Taft Property Ventures Development Corp. and Midland Development Corp., and, previous to that, the Group Head of their Customer Account Management.

Maria Elena M. Fajardo, Filipino, was appointed as the Head of the Human Resources and Administration Department on October 25, 2023. She finished her Bachelor of Arts degree in Political Science with a major in International Relations and Economics, from the University of the Philippines. She took up her Bachelor of Laws degree from San Beda University and is currently doing her Executive MBA at the Asian Institute of Management. Ms. Fajardo worked with the Philippine franchise of a Singapore-based educational institution, Informatics Holdings Philippines, Inc., in 2011, and joined Taft Property Development Corp., the real-estate arm of VICSAL Holdings Corp. of the Gaisano group of companies, in 2015. Prior to joining ALCO, she was the Human Resource Director for Total Rewards and Learning and Organizational Development of PTC Holdings Corp.

Gerard Vincent Casanova, Filipino, was appointed as Head of the Information and Business Technology (IT) Department and ALCO's Data Privacy Officer effective on February 1, 2024 following the retirement of Mr. Clarence P. Borromeo on January 31, 2024. He graduated from the De La Salle University where he took up Bachelor of Science in Computer Science. Before joining ALCO in 2021 as Deputy Head of the Department, he worked for SM Investments Corporation, Royal Caribbean Cruises, Star Cruises and Ayala Corporation. He is a results-oriented professional with over 17 years of experience in the field of information technology in different industries and has extensive expertise in product and project management.

Margeline C. Hidalgo, Filipino, holds a Bachelor of Science degree in Economics (*cum laude*) and a Juris Doctor degree, both from the University of the Philippines. She was an Associate Attorney of Angara Abello Concepcion Regala & Cruz Law Offices before working at Bank of Commerce as Legal Officer and subsequently at CBRE GWS Business Support Services Philippines, Inc. as Commercial Counsel for the Asia Pacific region. She joined ALCO in January 2020 and is currently also one of its Legal Counsels.

The directors and officers of ALCO believe that good corporate governance is a necessary component of a sound and strategic business management and therefore, undertake every effort necessary to create awareness of this policy and of ALCO's Manual of Corporate Governance (hereinafter, the "Manual") within the entire organization.

ALCO believes that compliance with the principles of good corporate governance starts with its BOD but to ensure adherence to corporate principles and best practices as stated in the Manual and pertinent laws and regulations of the SEC and the PSE, the BOD designated a Compliance Officer tasked to monitor compliance and he reports directly to the BOD.

ALCO recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. At the minimum, ALCO provides its shareholders, minority or otherwise, all rights granted to them under the law, particularly the Revised Corporation Code of the Philippines (the "Corporation Code"), with the exception of pre-emptive rights. The reports or disclosures required under the Manual and by the SEC and the PSE, including any and all material information that could potentially affect share price, are prepared and submitted through relevant corporate officers of ALCO.

The Company likewise safeguards the independence of its auditors, financial analysts, investment banks, and other relevant third parties through the following measures:

Auditors	Financial Analysts	Investment Banks
Strict observance of rotation requirement	Public disclosure of all financial information as approved by the Audit Committee	Public disclosure of all financial information as approved by the Audit Committee
Access to management	Access to management	Access to management

Manual on Corporate Governance

The Company first adopted a Manual of Corporate Governance in December 2002, which was amended on July 23, 2014, on May 31, 2017, May 6, 2020, and most recently on May 3, 2023 with the only change referring to the term of the External Auditor. Item 6.B of the Manual which now reads "The External Auditor shall be rotated or changed every seven (7) years or earlier, or the signing partner of the auditing firm assigned to the Corporation, should be changed with the same frequency."

The Manual has been submitted to the SEC in compliance with Revised Code of Corporate Governance SEC Memorandum Circular No. 6, Series of 2009, and SEC Memorandum Circular No. 9, Series of 2014.

The Company's policy of corporate governance is based on its Manual, which provides that it shall institutionalize the principles of good corporate governance in the entire organization. The Manual also provides that, to the extent applicable, it shall also serve as a guide in the management and operations of the Company's operating subsidiaries. The BOD periodically reviews its performance to determine the level of compliance of the Board and Senior Management with the Manual and the necessary steps required to improve.

ALCO's Code of Conduct ("Code") (which deals with conflict of interest, business and fair dealing, receipt of gifts from third parties, compliance with laws and regulations, trade secrets, nonpublic information, company assets, and employment/labor policies, among others) is part of the orientation of newly hired employees regardless of rank. Each new employee is given a copy of this Code and a letter-agreement he or she must sign to signify his or her undertaking to comply with its provisions. Any violation of any provision of this Code is essentially determined through periodic activities carried out by ALCO's Human Resources Department, reports submitted by the employees themselves, and performance meetings with managers. Disciplinary measures taken are commensurate with the seriousness of the offense and comply with the Labor Code of the Philippines.

Insofar as the directors, the Manual is clear that a director's office is one of trust and confidence. Having vetted his/her qualifications, the Nomination Committee ensures that ALCO directors shall at all times act in a manner characterized by transparency, accountability and fairness.

As of the date of this Prospectus, ALCO has substantially complied with the Manual and there is no deviation therefrom.

ALCO continuously improves the corporate governance within the organization as the need arises by coming out with policies on specific items addressed in the Manual. For 2022, the Board has approved the Risk Management Framework of the Company, the Insider Trading Policy, the Whistle Blowing Policy, and the Manual on Anti-Money Laundering. The Company also holds townhalls and group sessions among its employees to disseminate these policies for proper implementation.

Independent Directors

The Manual provides that the BOD shall have at least two independent directors or such number that constitutes 20% of the total number of directors of the BOD pursuant to the Company's Articles of Incorporation, whichever is lesser, but in no case less than two (2). The Company's has three (3) independent directors: Messrs. Andres B. Sta. Maria and Hans B. Sicat as well Ms. Denise Loreena V. de Castro.

In addition, the Manual directs that independent directors should always attend board meetings, but their absence shall not affect the quorum requirement. However, the BOD may, to promote transparency, require the presence of at least one independent director in all its meetings.

Independent directors must be independent of management and free from any business or other relationship with the Company which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director and possesses the necessary qualifications and none of the disqualifications for an independent director as provided by the By-laws of the Corporation.

COMMITTEES OF THE BOARD

The BOD has constituted certain committees to effectively manage the operations of the Company. The Company's committees include the Executive Committee, Governance and Nomination Committee, Stock Option and Compensation Committee, and Audit and Risk Committee. A brief description of the functions and responsibilities of the key committees are set out below:

Executive Committee

The Executive Committee is the body to which the BOD may delegate some of its powers and authorities which may lawfully be delegated. It shall be composed of the Chairman, the President and CEO, the Chief Finance Officer and such other officers of the Company as may be appointed by the BOD. The Executive Committee shall adopt and observe its own internal procedures and conduct of business.

The Executive Committee is composed of: Jaime C. González as Chairman, Ricardo Gabriel T. Po as Vice Chairman, and Jaime Enrique Y. González, Cornelio S. Mapa, Jr., and Christopher Paulus Nicolas T. Po as members.

Governance and Nomination Committee

The Governance and Nomination Committee was established by the BOD to assist in developing and maintaining the corporate governance policies of ALCO and providing oversight on the governance affairs of the BOD and ALCO; and in implementing the nomination policies, including overseeing the evaluation of (1) the members of the BOD, at least once a year, and (2) the senior management (those with the rank of Vice President and higher). The Committee is composed of at least three members of the BOD, one of whom must be an independent director.

The present members of the Committee are Ricardo Gabriel T. Po as Chairman and Hans B. Sicat and Andres B. Sta. Maria as members.

Stock Option and Compensation Committee

The Stock Option and Compensation Committee is composed of at least three members of the BOD, one of whom must be an independent director. The Stock Option and Compensation Committee shall, among others, establish a formal and transparent procedure for developing 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.

The Stock Option and Compensation Committee is composed of: Jaime C. González as Chairman and Ricardo Gabriel T. Po and Denise Loreena V. de Castro as members.

Audit and Risk Committee

The Audit and Risk Committee shall be composed of at least three members of the BOD, at least two of whom shall be independent directors, including the Chairman thereof, and preferably all members shall have accounting, auditing or related financial management expertise or experience. Each member should have adequate understanding at least or competence at most of the Company's financial management system and environment.

The Audit and Risk Committee shall, among others, assist the BOD 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. It shall also review the quarterly, half-year and annual financial statements before their submission to the BOD, with particular focus on: (a) any change/s in accounting policies and practices; (b) major judgmental areas; (c) significant adjustments resulting from the audit; (d) going concern assumptions; (e) compliance with accounting standards; and (f) compliance with tax, legal and regulatory requirements. The Committee also supports the BOD in establishing an enterprise risk management framework for ALCO and its subsidiaries and affiliates. It oversees their respective risk appetites, and identifies, evaluates and mitigates relevant risks affecting them. The Committee is tasked to monitor and approve the overall risk policies and associated practices of ALCO and its related interests.

The Audit and Risk Committee is composed of: Hans B. Sicat as Chairman, and Andres B. Sta. Maria and Denise Loreena V. de Castro as members.

Family Relationships

With the exception of brothers Ricardo Gabriel T. Po and Christopher Paulus Nicolas T. Po, and father and son Jaime C. González and Jaime Enrique Y. González, the abovementioned incumbent directors and executive officers of ALCO are not related to each other, either by consanguinity or affinity.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, there has been no occurrence of any of the following events during the past five years up to the date of this Prospectus, which are material to an evaluation of the ability or integrity of any director, any person nominated to become a director, executive officer or control person of the Company:

1. 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;

2. 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;

3. Any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

4. Being 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, and the judgment has not been reversed, suspended, or vacated.

Directors and Executive Officers & Key Persons – Involvement in Certain Legal Proceedings

One director and an officer of the Company are currently parties to legal proceedings which directly involve neither the Company nor their acts as such directors and officers of the Company, but which are nevertheless discussed below. There are no final resolutions on these proceedings at this time. The Company believes that the involvement of these directors and officer in the said proceedings is not material to an evaluation of the ability or integrity of such person to become a director, executive officer, or control person of the Company.

1. In 2013, PDIC had filed one and the same complaint against Mr. Jaime C. González, among other former officers of EIB, before (a) the Department of Justice (DOJ), and (b) the *Bangko Sentral ng*

Pilipinas (BSP) for violation of Section 21 (f)(10) of Republic Act (R.A.) No. 3591, Section 21 (f)(4) of R.A. No. 3591, and Sections 55, 56 and 66 of R.A. No. 8791 in relation to Section 36 of R.A. No. 7653. PDIC alleged that the respondents committed acts which constituted doing business in an unsafe and unsound manner, essentially having concealed from PDIC the engagement as the bank's financial advisor of a company which Mr. González was an officer of, simultaneously with being an officer of the bank. All respondents denied PDIC's accusation and submitted documentary evidence that there was in fact full disclosure to all concerned parties.

In 2014, the DOJ found no probable cause to hold Mr. González and his co-respondents liable for the charges of PDIC against them and dismissed the complaint. PDIC's Motion for Reconsideration was likewise denied. PDIC filed a Petition for Review before the Secretary of Justice but there is no decision on the matter to date. A Motion to Resolve was recently filed by the respondents to which PDIC did not object.

In March 2016, PDIC filed a civil complaint for sum of money against Mr. González, among others, arising from the same set of allegations and circumstances stated in the above complaint PDIC filed with the DOJ, *i.e.* that Mr. González and his co-defendants committed fraud with the concealment of the engagement of the company which Mr. González was an officer of, as the bank's financial advisor, and demanded from the defendants the return of the payment made by the bank to a third party. The individual defendants denied PDIC's assertions and presented evidence that there was full disclosure of the questioned transaction given that a PDIC officer was a member of the bank's BOD at the time.

On November 12, 2021, the trial court denied the plaintiff's application for preliminary attachment without prejudice to further evidence that may be presented in the trial proper to prove the alleged fraud. Trial is still ongoing.

Insofar as the administrative case before the BSP, in a Resolution dated June 13, 2019, the Monetary Board approved the report prepared by the Office of the General Counsel and Legal Services finding Mr. González, among others, administratively liable for violation of banking laws and imposing upon him a fine of ₱20,000.00. Mr. González filed a Motion for Reconsideration on 09 July 2019 and paid the fine under protest, *i.e.,* without abandoning his Motion for Reconsideration or waiving his legal right to question the Monetary Board Resolution before the proper courts and eventually claim reimbursement for the payment of the fine should said Resolution be set aside. BSP denied the Motion on February 7, 2020, hence, Mr. González filed a Petition for Review before the Court of Appeals. In a Joint Decision dated November 15, 2023, BSP's Resolution dated June 13, 2019 was reversed and set aside, and the Court of Appeals declared that the mere fact that Mr. González and his co-respondents were members of the Board and/or corporate officers of EIB would not conclusively and sweepingly make them administratively liable in the absence of proof that their actions are without justifiable basis and are prompted by manifest partiality, evident bad faith or gross inexcusable negligence. PDIC filed a Motion for Reconsideration in December 2023 which was denied in a Resolution dated April 4, 2024. PDIC filed with the Supreme Court a Petition for Review on Certiorari pursuant to Rule 45 of the Rules of Court on 03 June 2024.

2. In 2015, PDIC filed one and the same complaint against Mr. González, Ms. Angela de Villa Lacson, ALCO's former President and CEO, Mr. Froilan Q. Tejada, ALCO's former Chief Finance Officer, and Ms. Riva Khristine V. Maala, then Assistant Corporate Secretary of ALCO, among other former officers of Export and Industry Bank, (a) before the DOJ for violation of Article 315 of the Revised Penal Code in relation to Presidential Decree No. 1689 and of Section 21(f)(10) of R.A. No. 3591, as amended, and (b) before the BSP for violation of Section 37 of R.A. No. 7653. PDIC alleged that the respondents conspired and fraudulently caused the bank to make advances in favor of ALCO for the alleged purchase by ALCO of one of the bank's non-performing assets in the sum of ₱13 million. All respondents denied PDIC's charges against them in their respective counter-affidavits.

In March 2017, the DOJ charged Mr. González and Ms. Maala, among other respondents in this case, for violation of Sec. 21(f)(10) of R.A. No. 3591, as amended, while the charges for the violation of Article 315 of the Revised Penal Code in relation to Presidential Decree No. 1689 were dismissed. Mr. González and Ms. Maala filed their respective Motions for Partial Reconsideration in December 2018, and in February 2019, the DOJ dismissed altogether the criminal complaint against the respondents for violation of Sec. 21(f)(10) of R.A. No. 3591, as amended. PDIC filed a Petition for Review of the said dismissal before the Office of the DOJ Secretary on May 14, 2019 and there is no decision on the matter to date.

On the other hand, in May 2017, the BSP issued a Decision formally charging Mr. González, Ms. Maala and the other respondents for committing irregularities under Section 37 of R.A. No. 7653, and committing unsafe or unsound banking practices under Section 56 of R.A. No. 8791 in relation to Section 37 of R.A. No. 7653.

In a Resolution dated July 11, 2024 (copy received on August 08, 2024), the Monetary Board dismissed the charges against Ms. Maala but held Mr. González liable together with two other respondents for the abovementioned violations and imposed on them the penalty of suspension for a period of sixty (60) days and a fine of ₱20,000.00 each. They are likewise temporarily[33] disqualified from being a director or officer of any BSP-supervised financial institution pursuant to Section 138 (b) (12) of the Manual of Regulations for Banks. A Motion for Reconsideration was filed August 21, 2024.

EXECUTIVE COMPENSATION

Compensation of Directors and Executive Officers

Section 10, Article III of ALCO's By-laws provides that the "BOD is empowered and authorized to fix and determine the compensation of its members, including profit sharing and other incentives, subject to the limitations imposed by law." The directors are paid a per diem only for every Board or committee meeting attended.

Beginning June 2016, the per diem given to each director for each meeting of the Board (special or regular) attended was increased to ₱75,000.00 for independent directors and ₱10,000.00 for regular directors, except for the Chairman of the Board who receives ₱100,000.00. In May 2023, the per diem for regular directors was increased to ₱15,000.00 for each Board meeting attended.

Each director is also paid a per diem for each committee meeting he attends, of which he is a member. The per diem for committee meetings was also increased from ₱2,500.00 to ₱7,500.00 in May 2023. These committees are the Executive Committee, the Audit and Risk Committee, the Stock Option and Compensation Committee, and the Governance and Nomination Committee.

The current members of ALCO's various committees are:

Audit and Risk Committee	Hans B. Sicat, Chairman Denise Loreena V. de Castro Andres B. Sta. Maria
Stock Option and Compensation Committee	Jaime C. González, Chairman Denise Loreena V. de Castro Ricardo Gabriel T. Po

[33] The disqualification becomes permanent upon finality of the decision.

Governance and Nomination Committee	Ricardo Gabriel T. Po, Chairman Hans B. Sicat Andres B. Sta. Maria
Executive Committee	Jaime C. González, Chairman Ricardo Gabriel T. Po, Vice Chairman Jaime Enrique Y. González Christopher Paulus Nicolas T. Po Cornelio S. Mapa, Jr.

Section 7, Article IV, in turn, provides that the "Chairman, or such other officer(s) as the BOD may authorize, shall determine the compensation of all the officers and employees of the Corporation Xxx." Executive directors are also paid a salary and bonus.

The compensation of ALCO's directors for last year and for the period ending December 31, 2023 is as follows:

Name of Director	2023 (₱)	2022 (₱)
Ernest K. Cuyegkeng	800,000.00	700,000.00
Jaime C. González	125,000.00	90,000.00
Jaime Enrique Y. González	105,000.00	65,000.00
Fernan Victor P. Lukban[34]	232,000.00	615,000.00
Cornelio S. Mapa, Jr.	105,000.00	87,500.00
Christopher Paulus Nicolas T. Po	90,000.00	87,500.00
Ricardo Gabriel T. Po	115,000.00	70,000.00
Hans B. Sicat	572,500.00	625,000.00
Andres B. Sta. Maria	647,500.00	622,500.00
Denise Loreena V. de Castro	330,000.00	n.a.
Total	3,122,000.00	2,962,500.00

The compensation of ALCO's officers and other employees for the last two years is as follows:

2023

	Salary[35]	Bonus	Others
Executives[36] includes Jaime C. Gonzalez, *Vice Chairman and President*, and the four highest compensated officers: i. Cornelio S. Mapa, Jr., *Treasurer and Executive Vice President* ii. Christopher G. Narciso, *Executive Vice President* iii. Sheryll P. Verano, *Head, Strategic Funding and Investments*, and iv. Marivic S. Victoria, *Chief Finance Officer*	**₱111.86M**	**₱15.37**	**None**
Officers (As a group unnamed)[37]	**₱86.43M**	**₱6.13M**	**None**

[34] His term of office ended on June 30, 2023.
[35] Rounded-off.
[36] Includes all employees with the rank of Vice President and higher.
[37] Includes all employees with the rank of Manager up to Senior Assistant Vice President.

2022

	Salary[38]	**Bonus**	**Others**
Executives[39] includes Jaime C. Gonzalez, *Vice Chairman and President*, and the four highest compensated officers: i. Cornelio S. Mapa, Jr., *Treasurer and Executive Vice President* ii. Christopher G. Narciso, *Executive Vice President* iii. Gabriel I. Paulino, *Head, Technical Services*, and iv. Sheryll P. Verano, *Head, Strategic Funding and Investments*	**₱100.12M**	**₱6.449M**	**None**
Officers (As a group unnamed)[40]	**₱62.67M**	**₱4.20M**	**None**

Estimated Compensation for 2024 (Collective)

	Salary[41]	**Bonus**	**Others**
Directors and Executives	₱127.10M	None[42]	None
Officers (As a group unnamed)	₱86.80M		

In ALCO's annual meeting held on October 16, 2009, the stockholders representing more than sixty-seven percent (67%) of all its issued and outstanding common shares which are entitled and qualified to vote approved the 2009 ALCO Stock Option Plan. The total amount of shares which are available and may be issued for this purpose will amount to 10% of ALCO's total outstanding capital stock at any given time, which was equivalent to 531,809,519 common shares then. The Stock Option and Compensation Committee consisting of at least three (3) directors, one (1) of whom is an independent director, will administer the implementation of this plan.

Qualified employees eligible to participate under the plan are (i) members of the Board, with the exception of the independent directors; (ii) President and CEO and other corporate officers, which include the Corporate Secretary and the Assistant Corporate Secretary; (iii) Employees and Consultants who are exercising managerial level functions or are members of the Management Committee; and (iv) Executive officers assigned to ALCO's subsidiaries or affiliates[43].

The Stock Option and Compensation Committee is empowered to determine to whom the Options are to be granted, determine the price the Option is to be exercised (which in no case shall be below the par value of ALCO's common stock), decide when such Option shall be granted and its effectivity dates, and determine the number and class of shares to be allocated to each qualified employee. The Committee will also consider at all times the performance evaluation of the qualified employee and/or the result of the achievement of the objectives of ALCO each year.

[38] Rounded-off.
[39] Includes all employees with the rank of Vice President and higher.
[40] Includes all employees with the rank of Manager up to Senior Assistant Vice President.
[41] Rounded-off.
[42] Whether bonuses will be given in 2024 is uncertain at this time.
[43] ALCO must have at least 50% equity holdings of said subsidiary or affiliate.

The Option Period during which the qualified employee may exercise the option to purchase such number of shares granted will be three (3) years starting with the full year vesting in accordance with the following schedule:

(i)	Within the first twelve (12) months from Grant Date	- up to 33.33%
(ii)	Within the 13th to the 24th month from Grant Date	- up to 33.33%
(iii)	Within the 25th to 36th month from Grant Date	- up to 33.33%.

On the Exercise Date, the qualified employee should pay the full Purchase Price or in such terms as may be decided upon by the Committee.

In 2010, options equivalent to 164,800,000 were granted but none of the qualified employees exercised their respective rights until the period within which they can do so expired in October 2012.

On December 14, 2018, the Board, in accordance with the 2009 Stock Option Plan[44], authorized the granting of stock options to certain qualified employees of the Corporation equivalent to not more than 90.0 million common shares. The price of the options granted was pegged at the five-day volume weighted average price per share beginning December 17, 2018 until December 21, 2018, or ₱0.85 per share ("Option Price").

On March 25, 2020, the Board changed the Option Price to ₽0.50 per share as the original price of ₱0.85 per share was no longer competitive given the current price at the time and it defeats the purpose of the 2009 Plan.[45]

The total number of stock options granted to ALCO's officers and other employees at the time was 57,200,000. None of the qualified employees exercised their respective rights before the options expired in February 2022.

The term of the 2009 ALCO Stock Option Plan expired in October 2019. A new plan, *i.e.* the 2020 ALCO Stock Option Plan, which has substantially the same terms as the 2009 plan, was presented during the Annual Stockholders Meeting on June 26, 2020 and stockholders representing at least sixty-seven percent (67%) of the outstanding common shares which are entitled and qualified to vote approved the same.

An application will be re-filed with the SEC for exemption from registration of the option shares to be allocated under the 2020 Stock Option Plan. No options have been granted to any employees pending re-filing of the application.

Following the directive of the Markets and Securities Regulation Department of the SEC, the BOD during the joint Board and Stock Option and Compensation Committee meeting held on March 22, 2023 approved the proposed amendments of the Stock Option and Compensation Committee to the 2020 Stock Option Plan where the percentage of shares to be allocated as option shares is reduced from 10% to 5% of the outstanding capital stock, or to just 265,904,760 common shares, provided that ALCO reserves its right to subsequently increase the allocated number of option shares in accordance with the Securities Regulation Code.

As of the date of this Information Statement, the SEC has not approved the exemption from registration of the option shares to be allocated under the 2020 Stock Option Plan, as amended, thus no options have been granted to qualified employees of the Corporation.

The closing price of Arthaland's common shares as of August 30, 2024 was ₱0.415 per share.

[44] This was approved by the SEC Corporation Finance Department on 05 November 2010 through Resolution No. 081, Series of 2010.
[45] The objective of the Stock Option Plan is to furnish a material incentive to qualified employees of the Corporation by making available to them the benefits of stock ownership of the Corporation through stock options and thereby increase their concern for the Corporation's long term progress and well-being.

Certain Relationships and Related Transactions

Related party transactions are transfer of resources, services or obligations between the Company and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

In the regular conduct of its business, ALCO and its wholly-owned subsidiaries enter into intercompany transactions, primarily advances necessary to carry out their respective functions subject to liquidation and reimbursements for expenses.

ALCO ensures that these transactions are made substantially on the same terms as with other individuals and businesses of comparable risks, they are fair and treated at arm's length.

Interest Free Loan provided by Centrobless

The construction of ACPT is partially funded by a non-interest bearing loan from Centrobless Corporation (an investment vehicle of CPG), amounting to ₱1.6 billion with a maturity date of December 31, 2018. Under the terms of the loan agreement, Centrobless Corporation may choose to be repaid through the *dacion en pago* of office units in ACPT representing approximately 30% of ACPT's NLA.

On October 24, 2018, ALCO and Centrobless Corporation entered into a Memorandum of Agreement wherein ALCO shall transfer and convey by way of *dacion en pago*, in favor of the latter, the 15th, 16th, 17th, 18th, 19th, 29th and 30th floors and one hundred fifty (150) parking slots to fully settle the abovementioned loan. Under the Agreement, on December 31, 2018, or on such other date agreed upon by the parties, ALCO shall: (i) execute, together with Centrobless Corporation, a Deed of Absolute Sale via Dacion En Pago for the transfer of the parking slots, and (ii) turn over the certificates of title covering the parking slots free and clear of any liens and encumbrances and such other documents required by Centrobless. The parties executed the Deed of Absolute Sale via Dacion En Pago on February 2, 2024 and are currently awaiting the release of the Certificate Authorizing Registration thereof from the BIR.

Interest Free Loan provided by SOPI

In June 2017, Signature Office Property, Inc. ("SOPI") (a company majority-owned and chaired by ALCO Director Jaime Enrique Y. González), extended a non-interest-bearing loan amounting to ₱207 million, with a maturity date of December 31, 2018, to ALCO. This loan is interest free and payable in cash or in kind at the option of SOPI. Under the loan agreement, if SOPI elects to be paid in kind, ALCO shall pay the loan via *dacion en pago* with the NSA of the 28th floor of ACPT, and ten (10) parking slots therein.

In December 2018, SOPI and ALCO executed a Memorandum of Agreement, wherein ALCO shall transfer and convey by way of *dacion en pago*, in favor of SOPI, the NSA of the 28th floor of ACPT and ten (10) parking slots to fully settle the said loan. Under the Agreement, on December 31, 2018, or on such other date agreed upon by the parties, ALCO shall: (i) execute, together with SOPI, a Deed of Absolute Sale via Dacion En Pago for the transfer of the parking slots, and (ii) turnover the certificates of title covering the parking slots free and clear of any liens and encumbrances and such other documents required by SOPI. The parties executed the Deed of Absolute Sale via Dacion En Pago on February 2, 2024 and are currently awaiting the release of the Certificate Authorizing Registration thereof from the BIR.

Continuing Suretyship

Pursuant to the OLSA by and among SLDC, Arcosouth, and BPI executed on August 22, 2018, ALCO and BPI executed a Continuing Suretyship, dated August 22, 2018. ALCO's obligation consists of guaranteeing to pay BPI any and all indebtedness of SLDC in the principal amount of ₱720 million, until the completion of the construction of North Tower of Savya Financial Center and the 100% sale of units therein. In August 2021, the outstanding loan with BPI was fully paid by SLDC thereby extinguishing ALCO's obligation pertaining to the Continuing Suretyship.

In August 2021, the Company and BDO executed a Facility Agreement for a ₱1.44B term loan in favor of SLDC. As part of the security for this loan, the Company and BDO executed a Continuing Suretyship in August 2021. ALCO's obligation consists of guaranteeing to pay BDO any and all indebtedness of SLDC in the principal amount of ₱720 million, until the completion of the construction of North Tower of Savya Financial Center and the 100% sale of units therein. On August 29, 2023, the outstanding loan with BDO was fully paid by SLDC thereby extinguishing ALCO's obligation pertaining to the Continuing Suretyship.

Transactions between ALCO and its subsidiaries

A summary of related party transactions, between ALCO and its subsidiaries for the six months ended June 30, 2024 and 2023 and the years ended December 31, 2023, 2022 and 2021 are summarized below:

SUBSIDIARY	As of December 31 (Audited)			As of June 30 (Unaudited)	
	2023	2022	2021	H1 2024	H1 2023
CLLC	3,336,796,699	3,336,778,117	2,236,666,882	3,337,148,405	3,336,793,369
CAZNEAU	785,834,002	742,317,243	696,241,586	823,435,302	765,137,713
ZLDC	432,140,985	432,138,939	421,933,303	457,141,412	432,140,329
BHAVYA	314,408,714	314,408,714	806,190,873	314,408,714	314,408,714
BHAVANA	331,800,000	331,800,000	379,719,656	331,800,000	331,800,000
KHI	296,767,527	296,760,701	295,455,798	292,500,000	296,765,782
UPHI	157,667,178	85,366,273	79,459,344	163,528,427	157,428,422
MPI	6,221,503	5,857,429	5,433,627	6,283,959	6,219,850
APPS	3,247,353	2,966,916	2,608,665	3,610,473	3,054,411
PLI	820,084	819,159	816,659	820,084	820,084
SLDC	-	-	3,515,568	395,500,000	-
SLC	-	-	-	987	-
Total	5,665,704,045	5,549,213,491	4,928,041,961	6,126,177,763	5,644,568,673

In the normal course of the business, the Company provides management and financial support to its subsidiaries. The financial support is given in the form of cash advances to fund certain financial obligations. ALCO has advances for project development to its subsidiaries such as CLLC, KHI, Cazneau, Bhavana and Bhavya to finance the construction of its projects with an annual fixed interest rate of 3.5% p.a. Outstanding balances are unsecured, unguaranteed, interest-bearing, payable on demand and to be settled in cash. All other remaining advances received that are not covered by the agreement are unsecured, unguaranteed, noninterest-bearing, payable on demand and to be settled in cash.

While there have been no guarantees provided or received relating to these amounts, no impairment losses were recognized. This assessment is undertaken each financial year through a review of the subsidiaries' financial position and the perceived condition, existing and prospective, of the market they operate in. These amounts are eliminated to arrive at the consolidated financial statements of ALCO and its subsidiaries.

Advances for Project Development from Non-controlling Interests

The Group has the following transactions with the non-controlling interests:

	Outstanding Balance				
	2023	**2022**	**2021**	**H1 2024**	**H1 2023**
HHI	**495,919,597**	495,919,597	495,919,597	**495,919,597**	495,919,597
Narra	**411,200,000**	411,200,000	411,200,000	**411,200,000**	411,200,000
MEC	**195,000,000**	195,000,000	195,000,000	**103,000,000**	195,000,000
	1,102,119,597	1,102,119,597	1,102,119,597	**1,010,119,597**	1,102,119,597

SLDC, KHI, Bhavana and Bhavya received advances from related parties. All outstanding balances are unsecured, noninterest-bearing, and payable on demand and in cash.

On June 1, 2020, the Parent Company assigned 40% of its advances to KHI amounting to ₱195.0 million, in favor of MEC, and bear interest at 3.5% per annum. Interest expense incurred amounted to 6.8 million in 2023 and 2022. These are unsecured, unguaranteed, and payable on demand and in cash. In March 2024, KHI partially repaid ₱92.0 million of the outstanding advances to KHI.

In December 2021, the Parent Company assigned 40% of its advances amounting ₱411.2 million and accrued interest amounting to ₱38.2 million in Bhavana and Bhavya in favor of Arch SPV 2.

Management's Discussion and Analysis of Results of Operations and Financial Condition

This discussion summarizes the significant factors affecting the consolidated financial performance, financial position and cash flows of ALCO and its subsidiaries for the three-year period ended December 31, 2023 and for the six months ended June 30, 2024 and 2023. The following discussions are lifted from the 2023 annual report (SEC Form 17-A) and June 30, 2024 quarterly report (SEC Form 17-Q) filed with the SEC and should be read in conjunction with the attached audited consolidated statements of financial position of ALCO as of December 31, 2023, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023 as well as the unaudited interim condensed financial statements of ALCO as of June 30, 2024.

Following its reorganization in 2007, ALCO focused on establishing its brand and track record by developing its flagship projects, Arya and ACPT, which are meant to represent ALCO's solid presence in both the residential and office segments of the real estate sector. After the huge success of Arya and ACPT, ALCO has established itself as a premium and sustainable property developer and is now focused on growing its real estate portfolio.

By 2024, ALCO expects to have a total of more than 456,000 sqm of GFA from the completed and current projects in its portfolio. Compared against the combined GFA of Arya and ACPT of approximately 110,000 sqm, this represents a growth multiple of 4.14x its portfolio in 2019 or an estimated compounded annual growth rate of 33%.Of the target 456,000 sqm of developed GFA, the Company's on-going projects and projects scheduled for launch within the next 12 months, including Cebu Exchange, Savya Financial Center, Sevina Park, Lucima and Eluria account for substantially all of the incremental GFA that ALCO expects to support its growth target.

Diversification

The growth of the Company's development portfolio was pursued with the objective of arriving at a balanced mix of projects that will take advantage of opportunities brought about by the strong demand for commercial and residential space in established CBDs as well as opportunities in emerging high growth areas outside of Metro Manila.

Given these, ALCO uses a deliberate strategy of achieving an optimal mix of residential and commercial development in its portfolio. Of the expected 456,000 sqm portfolio by 2024, ALCO expects approximately 50% (about 228,000 sqm) to be in the commercial segment and the balance 50% in the broader mid-scale to ultra-luxury residential segment.

Within each of the commercial and residential sub-sectors, ALCO further plans to diversify its developments geographically to increase its presence in selected high growth urban areas. Of the approximately 228,000 sqm of planned developed GFA for the office segment, ALCO has deliberately allocated 59% to be outside

Metro Manila through the Cebu Exchange project and the commercial component of Sevina Park. Of the rest that it plans to develop within Metro Manila, ALCO has further allocated its planned office projects among the key business districts in Fort Bonifacio and Arca South.

Similarly, in the residential segment, ALCO plans for about 60% of developed gross floor area by 2024 to be located outside Metro Manila through its Sevina Park and Lucima projects while maintaining 40% of its residential portfolio within BGC and the Makati CBD area through Arya Residences, and Eluria.

Maintaining High Quality in its Projects

ALCO is very particular about maintaining the high quality for which its flagship projects are known. As a central focus of its strategy, ALCO will continue to position itself as a premium developer of sustainable projects and will continue to target to achieve green building certification for all of its future projects.

Matching of Fixed Costs with Recurring Income

To mitigate risk, ALCO likewise intends to maintain a leasing portfolio which, at minimum, is planned to match its fixed overhead costs. ALCO's leasing portfolio is currently composed of its retail units in Arya Plaza, Courtyard Hall, ACPT and 16,003 sqm of office and retail units in Cebu Exchange. Depending on market conditions, ALCO may also choose to retain retail or office units in its future projects to grow its leasing portfolio.

KEY PERFORMANCE INDICATORS

The table below sets forth the comparative performance indicators of the Company and its subsidiaries for the six months ended June 30, 2024 and fiscal years 2023, 2022, and 2021.

	6 months Ended 30 Jun 2024	**December 2023**	December 2022	December 2021
Current/Liquidity Ratio (Current Assets over Current Liabilities)	**1.63:1**	**2.32:1**	2.44:1	1.81:1
Solvency Ratio (Net income before Depreciation over Total Liabilities)	**0.02:1**	**0.06:1**	0.04:1	0.05:1
Debt-to-Equity Ratio (Total Liabilities to Total Equity)	**2.32:1**	**1.84:1**	2.02:1	2.14:1
Debt-to-Equity Ratio for Loan Covenant (Total Debt [Bonds and loans payable, amount payable for purchase of interest in a subsidiary and advances from non-controlling interest] to Total Equity)	**1.76:1**	**1.39:1**	1.56:1	1.65:1
Asset-to-Equity Ratio (Total Assets over Total Equity)	**3.32:1**	**2.84:1**	3.02:1	3.14:1
Interest Rate Coverage Ratio (Pre-tax income before Interest over Interest Expense)	**1.90:1**	**2.81:1**	3.51:1	5.09:1
Profitability Ratio (Net income over Total Equity)	**0.04:1**	**0.11:1**	0.07:1	0.10:1

All of the revenues and net income of ALCO for the years 2023, 2022, 2021 and the first six months of 2024 were contributed by the revenues and net income from (i) percentage of completion rate during the first half of 2024 which were much higher than that of the same period last year, (ii) revenue recognition from Sevina Park Villas which started in the last quarter of 2020 and have now been continuously recognized (iii) revenue recognition from Lucima which started in the second quarter of 2022 (iv) revenue from Eluria which started in the third quarter of 2023 (v) revenues from the sale of Sevina commercial lots in 2022 to 2024 and (vi) revenue recognition from Sevina Park Una Apartments Tower 1 which started in the first quarter of 2024. Leasing revenues from office and parking units in ACPT, retail units in Arya and dormitory units in Courtyard

Hall and property management fees by APPS in the management and maintenance of all common areas of Arya Residences, ACPT and Cebu Exchange (started in the third quarter of 2023), also contributed to the overall revenues of the group.

Other than the risks enumerated under Risk Factors. The Company is not aware of any events that will cause a material change in the relationship between costs and revenues.

The Company maintains and monitors certain financial ratios specifically those that measure its performance in terms of profitability, liquidity, and solvency on a regular basis. In terms of profitability, the usual metrics used is Profitability Ratio, which measures whether a project is keeping up to the planned margins estimated during project planning and conceptualization given certain assumptions. For liquidity, the company keeps an eye on its Current or Acid Test Ratio to determine its ability to meet its current or short-term obligations. The long-term financial well-being of the Company on the other hand is monitored and measured in Solvency Ratios specifically Debt (both Total Debt and for Interest-bearing Debt only) to Equity Ratio. The Group's top five key performance indicators, namely: (a) Current Ratio; (b) Debt to Equity Ratio; (c) Interest Bearing Debt to Equity Ratio; (d) Interest Coverage Ratio; and (e) Profitability Ratio and the manner by which the Company calculates can be found on the table above.

Financial reports are presented regularly to the Company's Finance Committee every month including the above-mentioned financial ratios. While they may fluctuate and vary from time to time given the nature of the business, reasons for the variations between reporting periods and trends are discussed to determine any measures that need to be undertaken prospectively. Other than being used as barometers for the company's levels of performance from one period to another, these financial ratios are also monitored to ensure the company's compliance to some financial covenants with some banks with respect to credit facilities these financing institutions have extended or provided. To date, the Company has been compliant with all these covenants.

The Company is not exposed to any seasonal aspects that had a material effect on the financial condition or results of operations

Financial Ratios for Existing Debt Covenants

The following table summarizes the financial ratios required to be maintained by the Company and its subsidiaries in relation to its debt covenants.

Company	Financial Ratios	June 30, 2024	December 31, 2023	Required per Covenant
ALCO	Debt-to-equity (D/E) Ratio	1.8	1.4	Not more than 2.00
	Current Ratio (Conso)	1.6	2.3	Not less than 1.50
Cazneau	Debt-to-Equity Ratio	0.8	0.9	Not more than 2.00
	Current Ratio	2.5	1.6	Not less than 1.50
Bhavana	Debt-to-Equity Ratio	2.0	1.6	Not more than 2.00
	Current Ratio	2.9	1.7	Not less than 1.50
	Project D/E Ratio	0.5	0.5	Not more than 0.50
Bhavya	Debt-to-Equity Ratio	1.8	1.5	Not more than 2.00
	Current Ratio	3.9	1.9	Not less than 1.50

Company	Financial Ratios	June 30, 2024	December 31, 2023	Required per Covenant
	Project D/E Ratio	0.5	0.5	Not more than 0.50

See further discussion in the 1) CAFS Dec 2023, Note 13 Loans Payable, Note 14 Bonds Payable, and Schedule of Financial Ratios; and 2) CUIFS Jun 2024, Note 12 Loans Payable, Note 13 Bonds Payable, and Schedule of Financial Ratios.

Moreover, testing of both financial covenants shall be done on April 30 of each year, using the December 31 audited consolidated financial statements of the Group for Parent company and separate statements of the Subsidiaries. As at December 31, 2023 and 2022, the Group/ subsidiaries are compliant with these financial ratios.

Under respective loan agreements of the Company and its subsidiaries, any unpaid principal amount of the outstanding loan, interest accrued and unpaid thereon and all other amounts payable hereunder, will become due and payable upon happening of events of default that remain unremedied within the periods indicated in the respective loan agreements. These events of default include payment default, breach of representation and warranties, breach of covenants including financial covenants, insolvency, revocation of government licenses, revocation of project permits, material change in the business that result to material adverse effect, and impairment of the mortgage or of the mortgaged property.

In addition, the Trust Agreement of the First and Second Tranches of the ASEAN Green Bonds includes a provision for acceleration of its obligations under said agreements in the event of cross-default involving a violation in any material obligation of the Company with any institution for the payment of borrowed money which remains unremedied by the Company within 10 banking days from notice of default and such violation results in the acceleration of the whole financial obligation prior to the stated normal date of maturity and provided that no event of default will occur under this provision unless the aggregate amount of indebtedness equals to exceeds P500,000,000.

Material Commitments for Capital Expenditures

Over the next twelve months, the Company expects to disburse about P12 billion for land and development costs for its on-going projects including Lucima, Eluria and Una Apartments in Sevina Park and for its projects in the pipeline including Project Olive, Project Teal and Project Vanilla.

These expenditures will be sourced from funds raised from the proceeds of the ASEAN Green Bonds and equity to be raised from the proceeds of the Series F Preferred Shares, term loans at the level of the project, equity from joint venture partners and internally-generated funds. For ongoing projects under construction, disbursements will also be funded by pre-selling of units.

EXECUTIVE COMPENSATION

Please refer to page [196] of this Prospectus for a discussion on Executive Compensation.

RELATED PARTY TRANSACTIONS

Please refer to page [202] of this Prospectus for further discussion on related party transactions.

Material Non-controlling Interests

The Company's non-controlling interests amounting to ₱2,327.3 million, ₱2,385.2 million and ₱1,959.5 million as at June 30, 2024, December 31, 2023 and 2022, respectively, pertain to interests in SLDC, KHI, Bhavana and Bhavya.

SLDC

Non-controlling interests over SLDC is 41% as at June 30, 2024, December 31, 2023, and 2022.

On March 17 and December 17, 2023, the BOD approved the subscription of convertible preferred shares by Help Holdings Inc. (HHI) to 19,096,407 and 2,049,000, respectively, shares at a subscription price of ₱100 per share or total amount of ₱2,114.5 million. The subscription was fully paid through the conversion of HHI's prior deposit for future stock subscription of the same amount. Additional paid-in capital arising from the subscription of convertible preferred shares aggregated to ₱2,093 million.

Net income of SLDC allocated to non-controlling interests amounted to ₱222.0 million for the six months ended June 30, 2024, and in full years, ₱23.7 million in 2023 and ₱24.4 million in 2022, which were determined based on the agreement between ALCO and MEC.

On August 25, 2023, the BOD approved the declaration of cash dividends amounting to ₱530.0 million or ₱1,060 per share to all Common Shares Class A stockholders of record on September 11, 2023. Dividends attributable to non-controlling interests amounted to ₱212.0 million and were paid out beginning September 13, 2023.

On February 23, 2024, the BOD approved the declaration of cash dividends amounting to ₱390.0 million or ₱780 per share to all stockholders of record on March 12, 2024. The dividends were paid on March 20, 2024.

The summarized financial information of SLDC, before intercompany eliminations, as at and for the six months ended June 30, 2024 and for the full years ended December 31, 2023 and 2022 are as follows:

	June 30, 2024	December 31, 2023	December 31, 2022
Current assets	**₱4,980,868,152**	₱5,381,802,617	₱6,167,275,482
Noncurrent assets	**749,433,916**	587,782,533	33,176,544
Current liabilities	**(1,456,673,961)**	(2,821,444,146)	(3,616,295,729)
Noncurrent liabilities	**(1,933,904,885)**	(526,773,954)	(400,885,058)
Net assets	**₱2,339,723,222**	₱2,621,367,050	₱2,183,271,239

	June 30, 2024	December 31, 2023	December 31, 2022
Revenue	**₱141,546,000**	₱2,392,608,813	₱435,347,696
Expenses	**(111,017,608)**	(1,346,462,251)	(318,327,624)
Income before income tax	**30,528,392**	1,046,146,562	117,020,072
Finance cost	**(74,618,632)**	(130,048,494)	(42,038,972)
Other income – net	**235,160,239**	100,760,291	6,403,512
Provision for income tax	**(48,254,760)**	(253,662,465)	(20,617,945)
Total comprehensive income	**₱142,815,239**	₱763,195,894	₱60,766,667

	June 30, 2024	December 31, 2023	December 31, 2022
Cash flows from (used in):			
Operating activities	**(₱57,740,031)**	₱1,026,911,397	(₱588,143,491)
Investing activities	**(63,491,375)**	188,716,135	(86,661,983)
Financing activities	**(304,620,945)**	(1,013,845,574)	672,954,393
Net increase (decrease) in cash and cash equivalents	**(425,852,351)**	201,781,958	(1,851,081)
Cash and cash equivalents at beginning of period	**516,719,386**	314,937,428	316,788,509
Cash and cash equivalents at end of period	**₱90,867,035**	₱516,719,386	₱314,937,428

KHI

The Group has 40% non-controlling interests in KHI. The net income (loss) of KHI allocated to non-controlling interests amounting to (₱31.9 million) for the six months ended June 30, 2024, and in full years, ₱295.8 million in 2023, and (₱3.5 million) in 2022 were distributed based on the capital contribution. The total assets of KHI amounted to ₱535.2 million, ₱624.2 million and ₱1,106.1 million as at June 30, 2024, December 31, 2023 and 2022, respectively. Net income before intercompany eliminations amounted to ₱389.5 million, ₱ 530.0 million and ₱513.2 million for the period ended June 30, 2024, December 31, 2023 and 2022, respectively, and net cash inflows amounted to ₱3.3 million in June 2024, ₱2.5 million in December 2023 and ₱0.3 million in December 2022.

On December 19, 2022, the BOD approved the declaration of cash dividends amounting to ₱500.0 million or ₱40 per share to all stockholders of record on January 12, 2023. The dividends were paid on January 30, 2023.

On August 25, 2023, the BOD approved the declaration of cash dividends amounting to ₱530.0 million or ₱ 42.40 per share to all stockholders of record on September 11, 2023. The cash dividends were paid on September 18, 2023. On February 23, 2024, the BOD of KHI further declared cash dividends amounting to ₱390.0 million to be paid out on March 21, 2024.

Bhavana and Bhavya

In December 2021, ALCO sold, transferred and conveyed in favor of Narra Investment Properties Pte. Ltd. (“Narra”), by way of secondary sale, all of its rights, title and interest in and to 40% of the common shares of stock of Bhavana and Bhavya, or 20,000,000 common shares of stock thereof, as well as its shareholder advances and accrued interest receivables aggregating ₱449.4 million in exchange for ₱446.8 million. The transfer of Bhavana and Bhavya shares decreased the effective ownership of ALCO from 100% to 60%.

In 2023, Narra also subscribed to 442,000 preferred shares of Bhavya for a total subscription amount of ₱ 44.2 million. In March 2024, Narra subscribed to 300,000 preferred shares of Bhavya for a total subscription amount of ₱30 million.

For six months ending June 30, 2024, net income (loss) of Bhavana and Bhavya allocated to non-controlling interests amounted to ₱5.1 million and (₱1.4) million, respectively, which were distributed based on capital contribution. In 2023, net income of Bhavana and Bhavya allocated to non-controlling interests amounted to ₱78.3 million and ₱42.9 million, respectively. In 2022, net income (loss) of Bhavana and Bhavya allocated to non-controlling interests amounted to ₱43.4 million and (₱12.3 million), respectively.

On February 16, 2023, the BOD approved the appropriation of ₱110.0 million to provide additional reserves for the ongoing construction of project Lucima. On June 06, 2024, the BOD approved the release of appropriation of ₱110.0 million from the Unrestricted Retained Earnings of Bhavana.

On October 23, 2023, the BOD approved the declaration of cash dividends amounting to ₱130.0 million or ₱ 5.2 per share to stockholders of record as at November 9, 2023, payable beginning November 10, 2023. The cash dividends were already paid in 2023.

The summarized financial information of Bhavana, before intercompany eliminations, as at and for the six months ended June 30, 2024 and for the full years ended December 31, 2023 and 2022 are as follows:

	June 30, 2024	December 31, 2023	December 31, 2022
Current assets	**₱3,069,905,228**	₱3,025,412,720	₱2,228,405,343
Noncurrent assets	**8,879,731**	53,303,805	57,675,852
Current liabilities	**(1,050,701,581)**	(1,758,715,743)	(1,164,268,334)
Noncurrent liabilities	**(1,912,191,641)**	(1,093,930,267)	(961,554,270)
Net assets	**₱115,891,737**	₱226,070,515	₱160,258,591

	June 30, 2024	December 31, 2023	December 31, 2022
Revenue	**₱479,860,010**	₱1,512,300,615	₱917,746,872
Expenses	**(410,649,456)**	(1,257,960,075)	(774,234,244)
Income before income tax	**69,210,554**	254,340,540	143,512,628
Finance cost	**(60,319,054)**	-	-
Other income – net	**3,144,608**	6,632,700	2,138,751
Provision for income tax	**(3,287,047)**	(65,161,316)	(37,087,175)
Total comprehensive income	**₱8,749,061**	₱195,811,924	₱108,564,204

	June 30, 2024	December 31, 2023	December 31, 2022
Cash flows from (used in):			
Operating activities	**(₱200,140,481)**	(₱142,388,675)	(₱487,745,492)
Investing activities	**91,281,381**	(27,067,756)	58,530,740
Financing activities	**98,613,036**	177,775,984	466,053,587
Net increase (decrease) in cash and cash equivalents	**(10,246,064)**	8,319,553	36,838,835
Cash and cash equivalents at beginning of period	**62,162,632**	53,843,079	17,004,244
Cash and cash equivalents at end of period	**₱51,916,568**	₱62,162,632	₱53,843,079

The summarized financial information of Bhavya, before intercompany eliminations, as at and for the six months ended June 30, 2024 and for the full years ended December 31, 2023 and 2022 are as follows:

	June 30, 2024	December 31, 2023	December 31, 2022
Current assets	**₱2,077,023,132**	₱1,899,254,095	₱1,224,777,766
Noncurrent assets	**80,210,182**	185,698,815	125,066,854
Current liabilities	**(537,843,128)**	(985,025,718)	(691,300,061)
Noncurrent liabilities	**(1,546,433,858)**	(925,874,631)	(702,134,489)
Net assets	**₱72,956,328**	₱174,052,561	(₱43,589,930)

	June 30, 2024	December 31, 2023	December 31, 2022
Revenue	**₱308,432,608**	₱565,910,408	₱–
Expenses	**(244,098,627)**	(426,187,267)	(53,383,762)
Income (before income tax	**64,333,981**	139,723,141	(53,383,762)
Finance cost	**(46,482,961)**	-	-
Other income – net	**8,062,973**	3,185,506	588,051
Income tax benefit (expense)	**(6,592,274)**	(35,766,156)	22,062,594
Total comprehensive income	**₱19,321,719**	₱107,142,491	(₱30,733,117)

	June 30, 2024	December 31, 2023	December 31, 2022
Cash flows from (used in):			
Operating activities	**(₱119,786,210)**	(₱516,113,541)	(₱184,069,149)
Investing activities	**29,536,304**	(35,429,738)	(16,763,910)
Financing activities	**85,287,000**	541,591,897	221,728,841
Net increase (decrease) in cash and cash equivalents	**(4,962,906)**	(9,951,382)	20,895,782
Cash and cash equivalents at beginning of period	**38,172,566**	48,123,948	27,228,166
Cash and cash equivalents at end of period	**₱33,209,660**	₱38,172,566	₱48,123,948

Interim Periods

FINANCIAL POSITION

JUNE 2024 vs DECEMBER 2023

	JUNE 30, 2024	DECEMBER 31, 2023	% Change
Cash and cash equivalents	**₱ 5,010,118,641**	₱ 5,605,296,553	-11%
Financial assets at fair value through profit or loss (FVPL)	**1,172,737,120**	877,853,288	34%
Receivables	**2,358,812,822**	2,211,302,746	7%
Contract Assets	**6,201,446,772**	5,608,780,240	11%
Real estate for sale	**8,007,011,686**	7,548,831,703	6%
Investment properties	**13,489,724,008**	13,175,632,447	2%
Property and equipment	**311,817,021**	315,768,669	-1%
Net retirement asset	**5,968,291**	14,151,768	-58%
Other Assets	**2,105,449,960**	1,906,428,476	10%
Total Assets	**38,663,086,321**	37,264,045,890	4%

	JUNE 30, 2024	DECEMBER 31, 2023	% Change
Accounts payable and other liabilities	**4,102,112,502**	3,621,061,114	13%
Loans payable	**13,564,611,127**	11,186,817,196	21%
Bonds payable	**5,947,210,127**	5,941,522,413	0%
Contract liabilities	**384,568,426**	198,350,664	94%
Advances from non-controlling interests	**1,010,119,597**	1,102,119,597	-8%
Net retirement liability	**5,667,694**	5,145,894	10%
Net deferred tax liabilities	**2,014,185,681**	2,092,857,227	-4%
Total Liabilities	**27,028,475,154**	24,147,874,105	12%
Equity attributable to equity holders of the Parent Company			
Capital stock	**1,007,257,136**	1,005,757,136	0%
Additional paid-in capital	**5,973,360,513**	5,973,360,513	0%
Treasury shares – at cost	**(3,000,000,000)**	(2,000,000,000)	50%
Parent Company's preferred shares held by a subsidiary – at cost	**(14,000,000)**	(12,500,000)	12%
Retained earnings	**5,124,139,763**	5,547,760,292	-8%
Other equity reserves	**216,566,831**	216,566,831	0%
	9,307,324,243	10,730,944,772	-13%
Non-controlling interests	**2,327,286,924**	2,385,227,013	-2%
Total Equity	**11,634,611,167**	13,116,171,785	-11%
Total Liabilities and Equity	**₱ 38,663,086,321**	₱ 37,264,045,890	4%

The Company's total assets continued to grow from ₱37.3 billion to ₱38.7 billion as of June 30, 2024.

Causes for any material changes (+/- 5% or more) in the financial statements

11% Decrease in Cash and Cash Equivalents
The decrease is largely due to payments for project development costs, dividends and taxes, as well as investments in money market funds.

34% Increase in Financial Assets at Fair Value through Profit or Loss
The increase is due to additional placements in money market funds.

7% Increase in Receivables
The increase is primarily due to the maturity of the Contract to Sell with buyers of Savya Financial Center and Sevina Park Villas, following their completion.

11% Increase in Contract Assets
The increase is due to new real estate contracts recognized during the period primarily from buyers of Sevina, Cebex and Lucima.

6% Increase in Real Estate for Sale
This is mainly due to project's additional construction costs, repossessed inventory and the carrying value of a portion of land that was transferred from "Investment Properties" to "Real Estate for Sale" due to change in the intended use of the property.

58% Decrease in Net Retirement Assets
The decrease is due to additional retirement expense accrued for the period.

10% Increase in Other Assets
The increase is largely due to prepayment for project development, commissions and taxes.

Total liabilities increased 12% from ₱24.1 billion on December 31, 2023 to ₱27.0 billion as at June 30, 2024 due to the following:

13% Increase in Accounts Payable and Other Liabilities
The increase is mainly due to additional deferred output VAT from installment sales.

21% Increase in Loans Payable
The increase pertains mainly to availment of bridge financing used to redeem Preferred Shares Series C, as well as additional loans to finance the development of the ongoing projects of the group.

94% Increase in Contract Liabilities
The increase is due to customers deposits received from buyers of residential units for which the related revenue has not yet been recognized.

8% Decrease in Advances from Non-Controlling Interests
This pertains to repayment of advances from non-controlling interests.

10% Increase in Retirement Liability
This represents provision of retirement expense for the period of a subsidiary.

Total equity decreased by 11% from ₱13.1 billion on December 31, 2023 to ₱11.6 billion as at June 30, 2024 due to the following:

50% Increase in Treasury Shares at cost
The increase is due to the redemption of Preferred Shares Series C.

12% Increase in Parent Company's Shares Held by a Subsidiary – at cost
This pertains to the subscription of MPI to ALCO's Series E Preferred Shares.

8% Decrease in Retained Earnings
The decrease is due to adjustments in the beginning balance of Retained Earnings following the adoption of new accounting standards and dividend declaration, net of H1 net income.

FINANCIAL RATIOS
JUNE 2024 vs DECEMBER 2023

RATIO	**FORMULA**	**JUN 2024**	DEC 2023
Current Ratio	Current Assets / Current Liabilities	**1.63:1**	2.32:1
Acid Test Ratio	Quick Assets / Current Liabilities	**0.56:1**	0.86:1
Solvency Ratios	Net Income before depreciation / Total liabilities	**0.02:1**	0.06:1
Debt-to-Equity Ratio	Total Liabilities / Total Equity	**2.32:1**	1.84:1
Debt to Equity Ratio for Loan covenant	Total Debt [Bonds and loans payable, amount payable for purchase of interest in a subsidiary and advances from non-controlling interest] to Total Equity)	**1.76:1**	1.39:1

RATIO	FORMULA	JUN 2024	DEC 2023
Asset-to-Equity Ratio	Total Assets / Total Equity	**3.32:1**	2.84:1
Interest Rate Coverage Ratio	Pretax Income before Interest / Interest expense	**1.90:1**	2.81:1
Return on Equity	Net Income / Average Equity excluding Preferred Shares	**5.64%**	10.59%
Return on Assets	Net Income / Average Total assets	**1.22%**	4%
Net Profit Margin	Net Income / Revenue	**18%**	21%
Basic Earnings per Share	Net income less dividends declared / Outstanding common shares	**0.0279**	0.1075
Price to Earnings Ratio	Market Price per share / Earnings per share	**17.38:1**	3.50:1
Dividend Yield	Dividends per share / Market price per share	**2.47%**	2.61%

FINANCIAL RATIOS
JUNE 2024 vs JUNE 2023

Ratio	Formula	JUN 2024	JUN 2023
Current Ratio	Current Assets / Current Liabilities	**1.63:1**	2.22:1
Acid Test Ratio	Quick Assets / Current Liabilities	**0.56:1**	0.91:1
Solvency Ratios	Net Income before depreciation / Total liabilities	**0.02:1**	0.04:1
Debt-to-Equity Ratio	Total Liabilities / Total Equity	**2.32:1**	1.94:1
Debt-to-Equity Ratio for Loan covenant	Total Debt [Bonds and loans payable, amount payable for purchase of interest in a subsidiary and advances from non-controlling interest] to Total Equity)	**1.76:1**	1.48:1
Asset-to-Equity Ratio	Total Assets / Total Equity	**3.32:1**	2.94:1
Interest Rate Coverage Ratio	Pretax Income before Interest / Interest expense	**1.90:1**	3.36:1
Return on Equity	Net Income / Average Equity excluding Preferred Shares	**5.64%**	10.63%
Return on Assets	Net Income / Average Total assets	**1.22%**	2.52%
Net Profit Margin	Net Income / Revenue	**18%**	27%
Basic Earnings per Share	Net income less dividends declared / Outstanding common shares	**0.0279**	0.1078
Price to Earnings Ratio	Market Price per share / Earnings per share	**17.38:1**	4.64:1
Dividend Yield	Dividends per share / Market price per share	**2.47%**	2.40%

RESULTS OF OPERATIONS
JUNE 2024 vs JUNE 2023

	JUN 30, 2024	% of Sale	JUN 30, 2023	% of Sale	% Change
Revenues	**₱ 2,571,111,804**	**100%**	3,371,826,140	100%	-24%
Cost and Expenses	**1,733,301,400**	**67%**	1,833,108,941	54%	-5%
GROSS INCOME	**837,810,404**	**33%**	1,538,717,199	46%	-46%
Administrative expenses	**433,657,429**	**17%**	357,780,801	11%	21%
Selling and marketing expenses	**229,298,656**	**9%**	310,579,580	9%	-26%
OPERATING EXPENSES	**662,956,085**	**26%**	668,360,381	20%	-1%
INCOME FROM OPERATIONS	**174,854,319**	**7%**	870,356,818	26%	-80%
OTHER OPERATING INCOME (EXPENSES)					
Finance costs	**(713,128,653)**	**-28%**	(525,264,276)	-16%	36%
Net gain on change in fair value of investment properties	**877,798,709**	**34%**	716,216,644	21%	23%
Other income – net	**297,759,352**	**12%**	138,788,986	4%	115%
INCOME BEFORE INCOME TAX	**637,283,727**	**25%**	1,200,098,172	36%	-47%
PROVISION FOR INCOME TAX	**170,419,640**	**7%**	295,710,755	9%	-42%
NET INCOME	**₱ 466,864,087**	**18%**	904,387,417	27%	-48%
NET INCOME ATTRIBUTABLE TO:					
Equity holders of Parent Company	**273,046,440**	**11%**	698,172,058	21%	-61%
Non-controlling interests	**193,817,647**	**8%**	206,215,359	6%	-6%
	₱ 466,864,087	**18%**	904,387,417	27%	-48%

The Group's consolidated revenue declined by 24% from ₱3,371.8 million in June 2023 to ₱2,571.1 million in June 2024 following the change in revenue mix between these periods.

Causes for any material changes (+/- 5% or more) in the financial statements

24% Decrease in Revenues
This is mainly due to higher sales from previous year boosted by sale of Sevina's commercial lots and Savya Financial Center's commercial units.

5% Decrease in Cost and Expenses
In addition to the lower revenues, the decrease is mainly attributed to the effect of PFRS 15 and its adoption.

21% Increase in Administrative Expenses
This is primarily driven by higher personnel costs and other pre-operating expenses related to completed projects.

26% Decrease in Selling & Marketing Expenses
The decrease is mainly attributed to higher commission expenses incurred last year from the sale of Sevina's commercial lot and Savya Financial Center's commercial units.

36% Increase in Finance Costs
The increase is largely due to the adoption of new accounting standard relative to non-capitalization of borrowing cost and accounting the same as part of period cost.

23% Increase in Net Gain on Change in Fair Value of Investment Properties
This pertains to the appraisal gain recognized for office/ retail units and land properties of the Group.

115% Increase in Other Income - net
This is mainly attributable to higher interest income from short term money market placements, gain on sale of assets and forfeited collections.

42% Decrease in Provision for Income Tax
The decrease is due to lower taxable income for H1 2024.

RESULTS OF OPERATIONS
April - June 2024 vs April – June 2023

	APRIL 1 - JUN 30, 2024	% of Sale	APRIL 1 - JUN 30, 2023	% of Sale	% Change
Revenues	**₱ 1,587,600,387**	**100%**	₱ 2,536,397,571	100%	-37%
Cost and Expenses	**1,118,000,165**	**70%**	1,428,386,537	56%	-22%
GROSS INCOME	**469,600,222**	**30%**	1,108,011,034	44%	-58%
Administrative expenses	**177,142,599**	**11%**	206,453,492	8%	-14%
Selling and marketing expenses	**132,591,275**	**8%**	238,299,230	9%	-44%
OPERATING EXPENSES	**309,733,874**	**20%**	444,752,722	18%	-30%
INCOME FROM OPERATIONS	**159,866,348**	**10%**	663,258,312	26%	-76%
OTHER OPERATING INCOME (EXPENSES)					
Finance costs	**(351,231,235)**	**-22%**	(261,636,419)	-10%	34%
Net gain on change in fair value of investment properties	**518,022,557**	**33%**	481,138,134	19%	8%
Other income – net	**141,023,737**	**9%**	114,242,137	5%	23%
INCOME BEFORE INCOME TAX	**467,681,407**	**29%**	997,002,164	39%	-53%
PROVISION FOR INCOME TAX	**123,971,045**	**8%**	234,694,442	9%	-47%
NET INCOME	**₱ 343,710,362**	**22%**	₱ 762,307,722	30%	-55%
NET INCOME ATTRIBUTABLE TO:					
Equity holders of Parent Company	**135,524,031**	**9%**	562,100,223	22%	-76%
Non-controlling interests	**208,186,331**	**13%**	200,207,499	8%	-4%
	₱ 343,710,362	**22%**	₱ 762,307,722	30%	-55%

The Group’s revenue declined by 37% quarter-on-quarter from ₱2,536.4 million in 2023 to P1,587.6 million in 2024 due to a change in the revenue mix between these periods.

Causes for any material changes (+/- 5% or more) in the financial statements

37% Decrease in Revenues

The decrease is mainly due to the bulk sale of office units and parking slots at Savya Financial Center recognized in Q2 2023.

22% Decrease in Cost of Sales and Services
The decrease is relative to lower sales revenues and effect of the non-capitalization of borrowing cost.

14% Decrease in Administrative Expenses
The decrease is mainly due to net decline in pre-operating expenses relative to completed projects.

44% Decrease in Selling and Marketing Expenses
The decline is largely due to decrease in Broker's fees relative to lower Revenues.

34% Increase in Finance Costs
The increase is mainly due to the adoption of new accounting standard relative to non-capitalization of borrowing cost.

8% Increase in Gain on change in FV of Investment Properties
The increase is due to appraisal gain recognized for office and retail units and land properties of the Group.

23% Increase in Other Income - Net
The increase is largely attributable to realized gain on disposals of financial assets at FVPL, interest income and forfeited collections.

47% Decrease in Provision for income tax
The decrease is due to lower taxable income recognized for the quarter.

Full Year Periods

FINANCIAL POSITION
December 31, 2023 vs. December 31, 2022

	December 31, 2023	December 31, 2022	Change
Cash and cash equivalents	**₱5,605,296,553**	₱4,796,293,662	17%
Financial assets at fair value through profit or loss (FVPL)	**877,853,288**	2,246,039,822	-61%
Receivables	**2,211,302,746**	2,380,054,645	-7%
Contract Assets	**5,608,780,240**	3,920,367,468	43%
Real estate for sale	**7,548,831,703**	9,381,383,586	-20%
Investment properties	**13,175,632,447**	11,273,784,260	17%
Property and equipment	**315,768,669**	333,940,003	-5%
Net retirement asset	**14,151,768**	36,058,483	-61%
Other Assets	**1,906,428,476**	2,024,785,160	-6%
Total Assets	**37,264,045,890**	36,392,707,089	2%
Accounts payable and other liabilities	**3,621,061,114**	3,382,198,303	7%
Loans payable	**11,186,817,196**	11,764,154,679	-5%
Bonds payable	**5,941,522,413**	5,925,771,148	0%
Contract liabilities	**198,350,664**	231,469,884	-14%
Advances from non-controlling interests	**1,102,119,597**	1,102,119,597	0%
Net retirement liability	**5,145,894**	2,545,060	102%
Net deferred tax liabilities	**2,092,857,227**	1,924,137,488	9%
Total Liabilities	**24,147,874,105**	24,332,396,159	-1%

Capital stock	**1,005,757,136**	1,005,757,136	0%
Additional paid-in capital	**5,973,360,513**	5,973,360,513	0%
Treasury stock – at cost	**(2,000,000,000)**	(2,000,000,000)	0%
Parent Company's shares held by a subsidiary – at cost	**(12,500,000)**	(12,500,000)	0%
Retained earnings	**5,547,760,292**	4,912,544,253	13%
Other equity reserves	**216,566,831**	221,696,435	-2%
Total equity attributable to Equity Holders of the Parent Company	**10,730,944,772**	10,100,858,337	6%
Non-controlling interests	**2,385,227,013**	1,959,452,593	22%
Total Equity	**13,116,171,785**	12,060,310,930	9%
Total Liabilities and Equity	**P37,264,045,890**	P36,392,707,089	2%

ALCO's total resources reached ₱37.26 billion as of December 31, 2023, higher by 2% from the ₱36.39 billion recorded on December 31, 2022, due to the following:

17% Increase in Cash and Cash Equivalents
The increase in cash is largely due to collections from buyers of completed projects and proceeds from the termination of money market placements.

61% Decrease in Financial Assets at Fair Value through Profit or Loss (FVPL)
The decrease is due to termination of money market placements for loan repayments and project development expenses.

7% Decrease in Receivables
The decrease is due to collections from buyers of office and retail units and parking slots of completed projects.

43% Increase in Contract Assets
The increase pertains to new real estate contracts recognized during the period primarily from buyers of Lucima, Eluria and Savya Financial Center.

20% Decrease in Real Estate for Sale
The decline is driven mainly by the higher sales activities during the year, as well as transfer of office units and parking slots of Cebu Exchange and Savya Financial Center from their respective inventory of real estate for sale to investment properties.

17% Increase in Investment Properties
The increase is attributed to the retention of office units and parking slots in Cebu Exchange and Savya Financial Center due to the change of intention in the use of these properties. These properties were remeasured at fair value and included in investment properties for lease.

5% Decrease in Property, Plant and Equipment
The decrease is due to the disposal of transportation equipment and depreciation expense during the year.

61% Decrease in Net Retirement Asset
The decrease is attributable to changes in actuarial assumptions.

6% Decrease in Other Assets

The decrease is largely due to input VAT that were claimed against output VAT due to higher revenues.

7% Increase in Accounts Payable and Other Liabilities
The increase is due to accrual of construction costs for the ongoing projects of the Group.

5% Decrease in Loans Payable
The decrease results from the net repayment of term and short-term loans.

14% Decrease in Contract Liabilities
The decrease refers to the reclassification of customer's deposits to receivables or contract assets from buyers of Eluria as initial revenue recognition commenced this year.

102% Increase in Net Retirement Liability
The increase is due to additional retirement expense for the year.

9% Increase in Net Deferred Tax Liabilities
The increase can be attributed mainly to the provision for taxes in relation to the gain recognized on the change in fair value of investment properties.

13% Increase in Retained Earnings
The increase is due to net income attributable to ALCO for the year, net of dividends declared to ALCO's shareholders.

22% Increase in Non-Controlling Interests
The increase is due to the share in net income, additional subscriptions to preferred shares from the non-controlling shareholders of Bhavya and SLDC, net of the share of non-controlling shareholders in the dividends declared by these subsidiaries.

December 31, 2022 vs. December 31, 2021

	December 31, 2022	December 31, 2021	Change
Cash and cash equivalents	**₱4,796,293,662**	₱1,949,257,156	146%
Financial assets at fair value through profit or loss (FVPL)	**2,246,039,822**	4,378,607,744	-49%
Receivables	**2,380,054,645**	1,563,406,726	52%
Contract Assets	**3,920,367,468**	6,238,880,086	-37%
Real estate for sale	**9,381,383,586**	8,988,754,987	4%
Investment properties	**11,273,784,260**	9,026,428,319	25%
Property and equipment	**333,940,003**	273,213,366	22%
Net retirement asset	**36,058,483**	-	100%
Other Assets	**2,024,785,160**	2,252,738,463	-10%
Total Assets	**36,392,707,089**	34,671,286,847	5%
Accounts payable and other liabilities	**3,382,198,303**	4,218,822,302	-20%
Loans payable	**11,764,154,679**	13,436,717,469	-12%
Bonds payable	**5,925,771,148**	2,966,594,179	100%
Contract liabilities	**231,469,884**	62,154,096	272%
Advances from non-controlling interests	**1,102,119,597**	1,102,119,597	0%
Net retirement liability	**2,545,060**	118,443,498	-98%
Net deferred tax liabilities	**1,924,137,488**	1,714,298,793	12%

Total Liabilities	**24,332,396,159**	23,619,149,934	3%
Capital stock	**1,005,757,136**	1,005,757,136	0%
Additional paid-in capital	**5,973,360,513**	5,973,360,513	0%
Retained earnings	**4,912,544,253**	4,404,555,747	12%
Other equity reserves	**221,696,435**	177,630,403	25%
Treasury stock – at cost	**(2,000,000,000)**	(2,000,000,000)	0%
Parent Company's shares held by a subsidiary – at cost	**(12,500,000)**	(12,500,000)	0%
Total equity attributable to the Parent Company	**10,100,858,337**	9,548,803,799	6%
Non-controlling interests	**1,959,452,593**	1,503,333,114	30%
Total Equity	**12,060,310,930**	11,052,136,913	9%
Total Liabilities and Equity	**₱36,392,707,089**	₱34,671,286,847	5%

ALCO's total resources as of December 31, 2022 amounting to ₱36.39 billion is 5% higher than the December 31, 2021 level of ₱34.67 billion due to the following:

146% Increase in Cash and Cash Equivalents
The increase in cash is largely due to net proceeds from the ASEAN Green Bonds' Tranche 2 offering of ALCO.

49% Decrease in Financial Assets at Fair Value through Profit or Loss (FVPL)
The decline is due to partial termination of money market placements for loan repayments and project development costs.

52% Increase in Receivables
The increase is mainly due to maturity of Contract to Sell with buyers of Cebu Exchange following its completion, as well as the receivables arising from the initial revenue recognition from Lucima project.

37% Decrease in Contract Assets
The decline is largely due to maturities of Contracts to Sell with buyers of Cebu Exchange which were subsequently accounted for as billed receivables.

25% Increase in Investment Properties
The increase is largely attributed to the retention of 8,059 sqm of office units, 72 parking slots, 2,628 sqm of retail units, and 36 non-appurtenant parking slots in Cebu Exchange. As a result, these properties were removed from the inventory for sale and included in investment properties for lease. The initial cost of these properties was ₱844 million, which were later revalued at a fair value of ₱1.8 billion.

22% Increase in Property, Plant and Equipment
The increase is largely attributable to construction cost of projects' gallery and model units.

100% Increase in Net Retirement Asset
The increase is primarily attributable to additional contributions made to the retirement plan.

10% Decrease in Other Assets
The decrease is mainly caused by the advance payments made to a seller of land which was subsequently acquired by the Group and reclassified as "real estate for sale".

20% Decrease in Accounts Payable and Other Liabilities
The decrease is the result of ALCO's settlement of the outstanding balance to Rock & Salt B.V., arising from the purchase of common and preferred shares and assignment of shareholder advances and accrued interest receivables in CLLC.

12% Decrease in Loans Payable
The decline is primarily due to CLLC's repayment of its term loan and CTS loans.

100% Increase in Bonds Payable
This refers to the issuance of the 2nd tranche of ASEAN Green Bonds, net of debt issuance costs, to be used in the acquisition and development of eligible green projects.

272% Increase in Contract Liabilities
The increase refers to the payments received from buyers of units in Lucima, Eluria and Sevina Park, for which the related revenue has not yet been recognized.

98% Decrease in Net Retirement Liability
The decline is primarily due to settlement of past service cost resulting to a fully funded retirement plan of ALCO.

12% Increase in Net Deferred Tax Liabilities
The increase can be attributed directly to the additional gain that was recognized during the year on the change in fair value of investment properties.

12% Increase in Retained Earnings
The increase is due to net income for the year, net of dividends declared.

25% Increase in Other Equity Reserves
The increase is mainly due to remeasurement gains on net retirement liability.

30% Increase in Non-Controlling Interests
The net increase is largely due to additional deposits for future stock subscription from SLDC shareholder.

December 31, 2021 vs. December 31, 2020

	December 31, 2021	December 31, 2020	Change
Cash and cash equivalents	**₱ 1,949,257,156**	₱ 941,079,474	107%
Financial assets at fair value through profit or loss (FVPL)	**4,378,607,744**	3,257,288,870	34%
Receivables	**1,563,406,726**	539,079,767	190%
Contract Assets	**6,238,880,086**	5,341,881,039	17%
Real estate for sale	**8,988,754,987**	6,894,906,539	30%
Investment properties	**9,026,428,319**	8,315,168,841	9%
Property and equipment	**273,213,366**	280,192,479	-2%
Other Assets	**2,252,738,463**	1,977,606,060	14%
Total Assets	**34,671,286,847**	27,547,203,069	26%
Loans payable	**13,436,717,469**	9,305,693,323	44%
Bonds payable	**2,966,594,179**	2,958,526,698	0%
Accounts payable and other liabilities	**4,218,822,302**	2,792,943,961	51%
Contract liabilities	**62,154,096**	27,423,392	127%

	December 31, 2021	December 31, 2020	Change
Advances from non-controlling interests	**1,102,119,597**	1,367,586,297	-19%
Net retirement liability	**118,443,498**	101,496,418	17%
Net deferred tax liabilities	**1,714,298,793**	1,763,428,524	-3%
Total Liabilities	**23,619,149,934**	18,317,098,613	29%
Capital stock	**1,005,757,136**	999,757,136	1%
Additional paid-in capital	**5,973,360,513**	3,008,959,878	99%
Retained earnings	**4,404,555,747**	3,779,054,629	17%
Other equity reserves	**177,630,403**	230,363,146	-23%
Parent Company's shares held by a subsidiary – at cost	**(12,500,000)**	(12,500,000)	0%
Treasury shares – at cost	**(2,000,000,000)**	-	100%
Total equity attributable to the Parent Company	**9,548,803,799**	8,005,634,789	19%
Non-controlling interests	**1,503,333,114**	1,224,469,667	23%
Total Equity	**11,052,136,913**	9,230,104,456	20%
Total Liabilities and Equity	**₱34,671,286,847**	₱27,547,203,069	26%

ALCO's total resources as of December 31, 2021 amounting to ₱34.67 billion is 26% higher than the December 31, 2020 level of ₱27.55 billion due to the following:

107% Increase in Cash and Cash Equivalents
The increase is accounted for by inflows from Preferred Shares Series D issuance netof Series B redemption, loan proceeds and sales collections net of loan repayments and operational and construction related disbursements.

34% Increase in Financial Assets at Fair Value through Profit or Loss (FVPL)
The increase is attributable to additional funds invested in money market placements.

190% Increase in Receivables
The increase is largely due to the installment receivables recognized from the sale ofoffice units in Cebu Exchange, Savya Financial Center, and residential units in SevinaPark, as well as receivables from ACPT tenants.

17% Increase in Contract Assets
The increase in contract assets pertains to the additional booked units during the year,arising from the sale of office units in Cebu Exchange, Savya Financial Center and residential units in Sevina Park accounted for under percentage of completion (POC),where contract assets is recognized when total revenues from real estate sales exceedsthe billed amount.

30% Increase in Real Estate for Sale
The increase was mainly due to the additional construction costs incurred for ongoingprojects as well as the carrying value of a portion of land that was transferred from "Investment properties" to "Real estate for sale" due to change in the intended use ofthe property.

9% Increase in Investment Properties
The increase is mainly attributable to the appraisal gain from ACPT, Laguna and other investment properties, net of reclassification of a portion of land to "Real estate for sale".

14% Increase in Other Assets

The increase is largely attributable to VAT Input payments and advances for purchaseof property.

44% Increase in Loans Payable
The increase is largely attributed to drawdowns from various loan facilities to fund project related disbursements and working capital requirements.

51% Increase in Accounts Payable and Other Liabilities
This is attributable to payables to contractors for ongoing projects and other liabilities.

127% Increase in Contract Liabilities
The increase pertains to collections received from buyers of units in Savya FinancialCenter and Sevina Park Villas, the related revenue of which is not yet recognized.

19% Decrease in Advances from Non-controlling Interests
The decrease pertains to ALCO's acquisition of the 40% share owned by Rock and Salt B.V. (RSBV) in CLLC.

17% Increase in Net Retirement Liability
The increase is due to the additional retirement expense recognized for the year, net of remeasurement gains.

99% Increase in Additional Paid-in Capital
This is due to the excess of the proceeds over par value of the Preferred Shares SeriesD that was issued during the year, net of stock issuance costs.

17% Increase in Retained Earnings
The increase is due to net income for the year, net of dividends declared.

23% Decrease in Other Equity Reserves
The decrease is mainly due to ALCO's acquisition of 40% of the ownership and voting rights of CLLC from RSBV resulting to 100% ownership of the Parent Company in CLLC. The difference between the acquisition cost and book value was recorded as reduction to equity reserves.

100% Increase in Treasury Shares – at cost
This is due to the redemption of Preferred Shares Series B during the year.

23% Increase in Non-Controlling Interests
The increase is largely contributed by the recognition of NCI's share in the net incomeof CLLC and SLDC.

RESULTS OF OPERATIONS

December 31, 2023 vs. December 31, 2022

	December 31, 2023	December 31, 2022	Change
Revenues	**₱6,638,923,582**	₱2,922,691,194	127%
Cost and expenses	**(3,924,713,673)**	(1,804,061,411)	118%
Gross income	**2,714,209,909**	1,118,629,783	143%
Administrative expenses	**821,439,823**	616,716,251	33%
Selling and marketing expenses	**529,115,673**	255,280,513	107%
Operating expenses	**1,350,555,496**	871,996,764	55%
Income from operations	**1,363,654,413**	246,633,019	453%
Finance costs	**(1,020,350,432)**	(500,672,464)	104%

Net gain on change in fair value of investment properties	**974,092,333**	1,435,889,906	-32%
Other income – Net	**521,253,473**	68,051,894	666%
Income before income tax	**1,838,649,787**	1,249,902,355	47%
Provision for income tax	**449,666,103**	376,837,638	19%
Net income	**₱1,388,983,684**	₱873,064,717	59%
Other comprehensive income (loss)			
Remeasurement gains (losses) on net retirement asset or liability	**(6,839,472)**	58,645,826	-112%
Income tax benefit (expense) on remeasurement gains or losses	**1,709,868**	(14,661,457)	-112%
Total comprehensive income	**₱1,383,854,080**	₱917,049,086	51%

Results of Operations for the year ended December 31, 2023 compared to the year ended December 31, 2022.

127% Increase in Revenues
The increase was driven by strong sales of office units at Savya Financial Center and Cebu Exchange, as well as residential units in Lucima, commercial lot sale in Sevina, along with the initial revenue recognition from Eluria.

118% Increase in Cost and Expenses
The increase is due to higher sales booking and incremental percentage of completion.

33% Increase in Administrative Expenses
The increase is mainly attributed to increase in personnel cost, taxes and office expenses.

107% Increase in Selling and Marketing Expenses
The increase is mainly attributed to increase in commission relative to higher sales and increased marketing activities.

104% Increase in Finance Costs
The increase resulted from the non-capitalization of borrowing costs for completed projects, as well as interest associated to proceeds from the ASEAN green bonds, pending disbursement for the new projects.

32% Decrease in Net Gain on Change in Fair Value of Investment Properties
The decline is mostly attributable to the larger NSA of office and retail units in Cebu Exchange that were reclassified to investment properties and revalued to fair value in 2022 compared to 2023.

666% Increase in Other Income – Net
The increase is due to higher interest income from short term money market placements and gain on repossession arising from sales cancellation.

19% Increase in Provision for Income Tax
The increase is primarily attributed to higher revenues recognized this year.

112% Decrease in Remeasurement Gains (Losses) on Net Retirement Asset or Liability
This results from adjustments in financial assumptions and other factors considered in the valuation of the retirement plan.

December 31, 2022 vs. December 31, 2021

	December 31, 2022	December 31, 2021	Change
Revenues	**₱2,922,691,194**	₱2,972,199,256	-2%
Cost and expenses	**(1,804,061,411)**	(1,728,843,604)	4%
Gross income	**1,118,629,783**	1,243,355,652	-10%
Administrative expenses	**616,716,251**	438,756,665	41%
Selling and marketing expenses	**255,280,513**	299,702,134	-15%
Operating expenses	**871,996,764**	738,458,799	18%
Income from operations	**246,633,019**	504,896,853	-51%
Finance costs	**(500,672,464)**	(277,828,945)	80%
Net gain on change in fair value of investment properties	**1,435,889,906**	872,263,700	65%
Other income – Net	**68,051,894**	27,647,106	146%
Income before income tax	**1,249,902,355**	1,126,978,714	11%
Provision for income tax	**376,837,638**	11,895,600	3068%
Net income	**₱873,064,717**	₱1,115,083,114	-22%
Other comprehensive income (loss)			
Remeasurement gains on net retirement liability	**58,645,826**	10,211,359	-474%
Income tax benefit (expense) on remeasurement gains or losses	**(14,661,457)**	(2,639,131)	456%
Total comprehensive income	**₱917,049,086**	₱1,122,655,342	-18%

Results of Operations for the year ended December 31, 2022 compared to the year ended December 31, 2021.

41% Increase in Administrative Expenses
The increase is largely due to real estate taxes and other related pre-operating expenses arising from the completion of Cebu Exchange property.

15% Decrease in Selling and Marketing Expenses
The decline is mainly due to lower commission expense for Cebu Exchange, as the project is at completion stage.

80% Increase in Finance Costs
The increase is mainly attributed to non-capitalization of borrowing costs due to substantial completion of Cebu Exchange and Savya Financial Center.

65% Increase in Net Gain on Change in Fair Value of Investment Properties
The increase is due to gains from revaluation of ACPT units and recognition of fair market value of Cebu Exchange units and parking slots, which were reclassified from Real estate for sale to Investment properties for lease. Initially, these properties were valued at ₱844 million but were subsequently revalued at a fair value of ₱1.8 billion.

146% Increase in Other Income – Net
The increase is due to higher interest income for the year.

3068% Increase in Provision for Income Tax

The increase in this account is primarily attributed to the gain recognized for the year due to the change in the fair value of investment properties. This was compared against lower income tax in 2021 after the full effect of the reduced tax rate per CREATE law.

474% Increase in Remeasurement Gains on Net Retirement Liability
This is due to the change in financial assumptions and other variables used in the valuation of the retirement plan.

December 31, 2021 vs. December 31, 2020

	December 31, 2021	December 31, 2020	Change
Revenues	**₱ 2,972,199,256**	₱ 3,301,553,056	-10%
Cost of sales and services	**(1,728,843,604)**	(1,682,981,281)	3%
Gross income	**1,243,355,652**	1,618,571,775	-23%
Administrative expenses	**438,756,665**	417,716,339	5%
Selling and marketing expenses	**299,702,134**	262,506,092	14%
Operating expenses	**738,458,799**	680,222,431	9%
Income from operations	**504,896,853**	938,349,344	-46%
Finance costs	**(277,828,945)**	(281,183,960)	-1%
Gain on change in fair value of investment properties	**872,263,700**	959,989,140	-9%
Other income – Net	**27,647,106**	42,240,203	-35%
Income before income tax	**1,126,978,714**	1,659,394,727	-32%
Provision for income tax	**11,895,600**	490,270,422	-98%
Net income	**1,115,083,114**	1,169,124,305	-5%
Other Comprehensive Income (Losses)			
Remeasurement gains (losses) on net retirement liability	**10,211,359**	(7,735,261)	232%
Income tax benefit (expense) on remeasurement gains or losses	**(2,639,131)**	2,320,578	-214%
Total comprehensive income	**₱ 1,122,655,342**	₱ 1,163,709,622	-4%

Results of Operations for the year ended December 31, 2021 compared to the year ended December 31, 2020.

10% Decrease in Revenues
The decrease in revenue is due to the minimal movement of Cebu Exchange POC in 2021 since the project is already nearing its completion and the lesser amount of booked salesas compared with the preceding year.

On the other hand, real estate sales of the office units at Savya Financial Center and residential units at Sevina Park Villas increased by 37% and 275% respectively.

14% Increase in Selling and Marketing Expenses
The change is mainly due to the increase in marketing activities for ongoing and new projects.

9% Decrease in Gain on Change in Fair Value of Investment Properties
The decrease is largely due to the minimal appraisal gain recognized in 2021.

35% Decrease in Other Income – Net
The decrease is attributable to lower unrealized holding gains on financial assets at FVPLduring the year.

98% Decrease in Provision for Income Tax
The decrease is largely due to the full effect of CREATE law resulting to lower incometax during the year.

232% Increase in Remeasurement Gains (Losses) on Net Retirement Liability
The increase is attributable to the change in financial assumptions and other variables used by the actuarial company in the valuation of the retirement plan.

External Audit Fees and Services

The external auditor's fees are based on the estimated time that would be spent on an engagement and ALCO is charged on the experience level of the professional staff members who will be assigned to work for the purpose and generally, on the complexity of the issues involved and the work to be performed, as well as the special skills required to complete the work.

The audit fees of RT&Co insofar as ALCO is concerned are as follows:

2016	-	₱950,000.00
2017	-	₱1,500,000.00
2018	-	₱1,650,000.00
2019	-	₱1,750,000.00
2020	-	₱1,750,000.00
2021	-	₱1,750,000.00
2022	-	₱1,750,000.00
2023	-	₱1,800,000.00

RT&Co rendered services to ALCO's subsidiaries and its audit fees are as follows:

	2023	2022	2021
Bhavana Properties, Inc.	₱240,000.00	₱200,000.00	₱100,000.00
Bhavya Properties, Inc.	₱180,000.00	₱100,000.00	₱100,000.00
Cazneau Inc.	₱420,000.00	₱400,000.00	₱300,000.00
Cebu Lavana Land Corp.[46]	₱350,000.00	₱350,000.00	N/A
Arthaland Prestige Property Solutions, Inc. (formerly Emera Property Management, Inc.)	₱170,000.00	₱160,000.00	₱160,000.00
Kashtha Holdings, Inc.	₱100,000.00	₱100,000.00	₱100,000.00
Manchesterland Properties, Inc.	₱350,000.00	₱350,000.00	₱350,000.00
Pradhana Land, Inc.	₱100,000.00	₱100,000.00	₱100,000.00
Savya Land Development Corporation	₱370,000.00	₱350,000.00	₱250,000.00
Urban Property Holdings, Inc.	₱130,000.00	₱130,000.00	₱130,000.00
Zileya Land Development Corporation	₱160,000.00	₱160,000.00	₱160,000.00

RT&Co did not perform non-audit work for ALCO for the years 2013, 2014, 2015, 2017 and 2018. However, below are RT&Co's professional fees for the non-audit work performed in relation to ALCO's public offering of the following Preferred Shares:

Year	Purpose	Amount
2016	Series B	₱1.50MM
2019	Series C	₱1.00MM
2021	Series D	₱0.90MM

In October 2019, ALCO filed with the SEC a Registration Statement for the shelf registration of ₱6.0 billion fixed rate ASEAN Green Bonds (the "Bonds") which was approved in January 2020. The initial tranche of these Bonds equivalent to ₱3.0 billion was listed with the Philippine Dealing and Exchange Corp. on February

[46] The external auditor of CLLC for 2021 and prior years is Isla Lipana & Co., a PwC member firm. Its fees for 2021, 2020, 2019, 2018 and 2017 amount to ₱538,000.00, ₱538,000.00, ₱520,000.00, ₱500,000.00, and ₱430,000.00, respectively, all of which are net of VAT.

6, 2020. RT&Co's professional fees for the non-audit work performed on these bonds amounted to ₱0.60MM.

On October 7, 2022, the BOD authorized the offer and sale of the second tranche of the Bonds in the amount of up to ₱3.0 billion and listed with the Philippine Dealing and Exchange Corp. on December 22, 2022. RT&Co's professional fees for the non-audit work performed on these bonds amounted to ₱1.00MM.

ALCO also engaged RT&Co to perform limited assurance procedures on the eligible green project portfolio included in the ASEAN Green Bonds allocation report prepared annually following the issuance of the Bonds. RT&Co's professional fees for the limited assurance engagement are as follows:

2022	-	₱250,000.00
2023	-	₱250,000.00
2024	-	₱300,000.00

The foregoing fees are all exclusive of VAT.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with the external auditor of the Company on accounting and financial disclosure.

Interest of Named Experts

Independent Auditors

The consolidated financial statements of the Company as at and for the years ended December 31, 2023, 2022, and 2021 have been audited by Reyes Tacandong & Co., independent auditors, in accordance with Philippine Standards on Auditing as set forth in their report thereon appearing elsewhere in this Prospectus.

The Audit Committee of the Company, reviews and monitors, among others, the integrity of all financial reports and ensures compliance with both internal financial management manual and pertinent accounting standards, including regulatory requirements. The Audit Committee also performs the following duties and responsibilities relating to the services of the Company's external auditors:

- Assess and monitor the (i) external auditor's professional qualifications, competence, independence and objectivity and require the external auditor to make the statements necessary under applicable auditing standards as regards its relationship and services to the Company, discussing any relationship or services which may derogate its independence or objectivity; and (ii) the effectiveness of the audit process in accordance with applicable standards.

- Obtain objective assurance from the external auditor that the conduct of the audit and the manner of the preparation of the financial statements comply with applicable auditing standards and rules of regulatory bodies, including exchanges on which the securities of the Company are listed.

- Review and approve the nature and scope of the audit plans of the external auditor, including scope, audit resources and expenses, and reporting obligations before the audit commences.

- Review the reports or communications of the external auditor and ensure that management or the Board will provide a timely response to the issues raised in such reports or communications.

- Ensure the development and implementation of policies on the engagement of an external auditor to supply non-audit work, including the fees payable therefor, and evaluate any non-audit work undertaken by the external auditor to ensure that the same does not conflict with its audit functions.

There is no arrangement that experts and independent counsels will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

Legal Matters

All legal matters in connection with the issuance of the Series F Preferred Shares will be passed upon by SyCip Salazar Hernandez & Gatmaitan ("**SyCipLaw**") for the Company and Romulo Mabanta Buenaventura Sayoc & de los Angeles ("**Romulo**") for the Lead Underwriter. SyCipLaw and Romulo have no direct interest in the Company.

SyCipLaw and Romulo may from time to time be engaged to advise in the transactions of the Company and perform legal services on the basis that SyCipLaw and Romulo provide such services to their other clients.

The legal counsels will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer.

Taxation

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Offer Shares. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Offer Shares or of all of the tax considerations that may be relevant to a decision to invest in the Offer Shares and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Offer 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 Offer Shares in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect as at the date of this Prospectus, and are subject to any changes in law occurring after such date.

The tax treatment applicable to a holder of the Offer Shares may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a holder of the Preferred Shares and it does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rates or tax incentives under special laws.

PROSPECTIVE PURCHASERS OF THE OFFER SHARES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN 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 of the Philippines while the term non-resident alien means an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who stays in the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines"; otherwise, such non-resident alien is considered a "non-resident alien not engaged in trade or business within the Philippines". 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 that is not engaged in trade or business within the Philippines.

The term "non-resident holder" means a holder of the Offer Shares:

- who is an individual who is neither a citizen nor a resident of the Philippines, or which is a non-resident foreign corporation; and

- should an income tax treaty be applicable, whose ownership of the Offer Shares is not effectively connected with a fixed base or a permanent establishment in the Philippines.

PHILIPPINE TAXATION

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN), took effect. The TRAIN amended various provisions of the Tax Code, including those on ordinary income tax of individuals, capital gains tax on the sale and disposition of shares of stock, estate tax, donor's tax, and documentary stamp tax.

Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE), which took effect on April 11, 2021, amended the provisions of the Tax Code relating to, among others, lowering corporate income taxes and modernizing fiscal incentives in a bid to complement the expected incremental revenues from the TRAIN.

Corporate Income Tax

A domestic corporation is subject to a tax of 25.0% on its taxable income from all sources within and outside the Philippines effective July 1, 2020, provided that domestic corporations with net taxable income not exceeding ₱5,000,000.00 and with total assets not exceeding ₱100,000,000.00 (excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed) (referred to as micro, small, and medium enterprises, or MSMEs), shall be taxed at 20.0%. Taxable net income refers to items of gross income specified under the Philippine Tax Code (the Tax Code), less itemized deductions under Section 34 of the Tax Code or those allowed under special laws, or the optional standard deduction (OSD) equivalent to an amount not exceeding 40.0% of the corporation's gross income. Passive income of a domestic corporation is taxed as follows: (a) gross interest income from Philippine currency bank deposits and yield from deposit substitutes, trust funds and similar arrangements as well as royalties from sources within the Philippines which are generally taxed at the lower final withholding tax rate of 20.0% of the gross amount of such income; and (b) interest income from a depository bank under the expanded foreign currency deposit system which is subject to a final tax at the rate of 15% of such income. Beginning July 1, 2020 and until June 30, 2023, a minimum corporate income tax of 1% of the gross income as of the end of the taxable year is imposed on a domestic corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the ordinary corporate income tax, provided that after June 30, 2023, the rate of minimum corporate income tax shall be 2% of the gross income as of the end of the taxable year. Any excess of the minimum corporate income tax, however, over the ordinary corporate income tax shall be carried forward and credited against the latter for the three immediately succeeding taxable years. Likewise, subject to certain conditions, the minimum corporate income tax may be suspended with respect to a corporation which suffers losses (1) on account of a prolonged labor dispute, or (2) because of force majeure, or (3) because of legitimate business reverses.

Taxes on Dividends on the Offer Shares

General Rules

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to a final withholding tax at the rate of 10.0%, which shall be withheld by the Company. Cash and property dividends received from a domestic corporation by nonresident alien individuals engaged in trade or business in the Philippines are subject to a 20.0% final withholding tax on the gross amount thereof, while cash and property dividends received from a domestic corporation by non-resident alien individuals not engaged in trade or business in the Philippines are subject to a final withholding tax at 25.0% of the gross amount, subject, however, to the applicable preferential tax rates under income tax treaties executed between the Philippines and the country of residence or domicile of such non-resident alien individuals.

Cash and property dividends received from a domestic corporation by another domestic corporation or by a resident foreign corporation are not subject to income tax while those received by a non-resident foreign corporation are generally subject to income tax at a final withholding tax rate of 25.0%, effective January 1, 2021.

Tax Sparing Rate for Non-Resident Foreign Corporations

The 25.0% income tax rate for dividends paid to a non-resident foreign corporation may be reduced to a lower rate of 15.0% if tax sparing applies, which is when: (i) the country where the non-resident foreign corporation is domiciled imposes no tax on foreign sourced dividends or (ii) the country of domicile of the non-resident foreign corporation allows at least 10.0% credit equivalent for taxes deemed to have been paid in the Philippines.

In order to avail of the 15.0% tax sparing rate, Revenue Memorandum Order No. 46-2020 (*Guidelines and Procedures for the Availment of the Reduced Rate of 15% on Intercompany Dividends Paid by a Domestic Corporation to a Non-Resident Foreign Corporation Pursuant to Section 28(B)(5)(B) of the National Internal*

Revenue Code of 1997, as amended dated December 23, 2020) requires the non-resident foreign corporation availing itself of the tax sparing rate to file an application with the BIR for a confirmatory ruling on its entitlement to the tax sparing rate. Revenue Memorandum Order No. 46-2020 likewise states the following general requirements that shall accompany the first application for the reduced dividend rate of 15% in a given taxable year:

(1) letter-request which shall provide a background of the transaction, the relief sought and the legal basis;

(2) duly accomplished BIR Form No. 0901-TS;

(3) original copy of the apostilled/duly authenticated Tax Residence Certificate issued by the tax authority of the country of the domicile;

(4) apostilled/duly authenticated copy of the NRFC's articles of incorporation and proof of establishment in its country of residence;

(5) original copy of apostilled/duly authenticated Special Power of Attorney (SPA) issued by the NRFC to its authorized representative;

(6) certified true copy of the BOD' resolution of the domestic corporation approving the issuance of dividends, which shall include the amount of dividends, and dates of declaration, record and payment, among others;

(7) original copy of the sworn statement executed by the corporate secretary of the domestic corporation stating the legal and beneficial owners, if applicable, of all issued and outstanding shares as of record date, their corresponding subscriptions, date/s of acquisition, percentage of ownership and the allocation of dividend;

(8) certified true copy of the General Information Sheet (GIS) of the domestic corporation for the year or period immediately preceding the date of declaration, whichever is more applicable

(9) certified true copy of the Audited Financial Statements (AFS) of the domestic corporation stamped "received" by the BIR and Securities and Exchange Commission, which was used as the basis of such dividend declaration; and

(10) proof of remittance of the dividend payments.

The application must be filed within 90 days from "the remittance of the dividends or from the determination by the foreign tax authority of the deemed paid tax credit/non-imposition of tax because of the exemption, whichever is later." A domestic corporation is not required to first secure a ruling from the BIR in order to use the tax sparing rate when it remits the dividends but it is required to determine if under the law of the country of domicile of the non-resident foreign corporation, such non-resident foreign corporation is granted the applicable "deemed paid" tax credit, or an exemption from income tax on such dividends.

The abovementioned tax rates are without prejudice to applicable preferential tax rates under income tax treaties in force between the Philippines and the country of domicile of the non-resident holder. (Please see discussion on tax treaties below.)

Tax Treaty Relief

The BIR recently revised its procedures for availment of tax treaty relief on dividends by issuing Revenue Memorandum Order No. 14-2021 (Streamlining the Procedures and Documents for the Availment of Treaty Benefits, dated March 31, 2021), as clarified by Revenue Memorandum Circular No. 77-21 (Clarification on

Certain Provisions of Revenue Memorandum Order No. 14-21, dated June 15, 2021). In accordance with the foregoing regulations, all income items derived by non-resident taxpayers entitled to tax treaty relief shall be confirmed by the BIR through the filing of: (i) a request for confirmation by the withholding agent, or (b) a tax treaty relief application by the non-resident taxpayer, with the required supporting documents in either case.

(i) Request for Confirmation

The withholding agent/income payor may apply the preferential tax treaty rate on the dividend income of the non-resident foreign shareholder by relying on the submission by such shareholder of the following documents before the dividend income is paid: (a) an application form for treaty purposes (BIR Form 0901-D for dividends), (b) an authenticated/apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the shareholder, and (c) the relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on dividend income. If the tax treaty rate was applied, the withholding agent/income payor must file with the BIR's International Tax Affairs Division ("**ITAD**") a request for confirmation of the use of the tax treaty rate. The request for confirmation must be filed at any time after the close of the taxable year and in no case later than the last day of the fourth month following the close of such taxable year when the dividend is paid or becomes payable.

Revenue Memorandum Circular No. 77-21 prescribes the filing of one consolidated request for confirmation per non-resident income recipient, regardless of the number and type of income payments during the year. Revenue Memorandum Circular No. 77-21 also provides for a list of all documentary requirements that have to be submitted in support of the request for confirmation.

If the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits, the request for confirmation will be denied and it will require the withholding agent/income payor to pay the deficiency taxes plus surcharge, interest and penalties.

*(ii) Tax Treaty Relief Application ("**TTRA**")*

In case the withholding agent/income payor used the regular rate under the Tax Code, the non-resident foreign shareholder may, at any time after its receipt of the dividend income, file a TTRA with ITAD. Similar to a request for confirmation, the TTRA must also be supported by the documents specified in Revenue Memorandum Circular No. 77-21.

If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient's entitlement to treaty benefits, and the shareholder may apply for a refund of excess withholding tax within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the shareholder may also be filed simultaneously with the TTRA. If the regular tax rate is withheld by the issuer instead of the reduced rates applicable under an income tax treaty, the non-resident holder of the shares may file a claim for 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.

Most tax treaties to which the Philippines is a party provide for a preferential tax rate of either 15% or 25%, in cases where the dividend arises in the Philippines and is paid to a resident of the other contracting state. Most income tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the dividends, who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant dividend-earning interest is effectively connected with such permanent establishment. In these cases, however, the provisions on business profits or independent personal services under the tax treaty shall apply.

Revenue Memorandum Circular No. 076-20 (Clarifying Certain Issues on the Filing of the Related Party Transaction Form) clarifies that the TTRAs filed with the ITAD relative to payments made to related parties must be indicated in the Related Party Transaction Form (BIR Form No. 1709). The dividends itself between and among related parties (either paid or payable, received or receivable) should likewise be disclosed in the Related Party Transaction Form. As proof of dividends payments to related parties, certain documents such as a notarized BOD' resolution approving the issuance of dividends, a certification under oath by the corporate secretary/custodian banks/depository account holders/broker dealers stating in detail the legal and beneficial owners of all issued and outstanding shares as of record date, their corresponding subscriptions, date/s of acquisition, percentage of ownership and the allocation of dividend, and proof of payment of such dividends must be maintained by the Company.

Transfer taxes (*e.g.* documentary stamp tax, local transfer tax) may be payable if the dividends declared are property dividends, depending on the type of property distributed as dividends. Stock dividends distributed *pro rata* to any holder of shares of stock are generally not subject to Philippine income tax. However, the sale, exchange or disposition of shares received as stock dividends by the shareholder is subject to stock transaction tax if the transfer is through a local stock exchange; or if the transfer is made outside of the exchange, capital gains tax; and documentary stamp tax.

Sale, Exchange or Disposition of Shares after the Offer Period

Capital gains tax

The net capital gains realized by a citizen, resident alien, non-resident alien, whether or not engaged in trade or business within the Philippines, or a domestic corporation (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock outside the facilities of the PSE, are subject to capital gains tax at the rate of 15.0% of the net capital gains realized during the taxable year.

The net capital gains realized by a resident foreign corporation or a non-resident foreign corporation during each taxable year from the sale, exchange or disposition of shares of stock in a domestic corporation outside the facilities of the PSE are subject to the rate of 15% of the net capital gains realized during the taxable year. If an applicable income tax treaty exempts net gains from such sale from capital gains tax, an application for tax treaty relief must be filed with the BIR in accordance with BIR regulations, and approved by the BIR, to avail of the exemption. (Please see discussion on tax treaties.) The transfer of shares shall not be recorded in the books of a company, unless the BIR has issued a Certificate Authorizing Registration ("**CAR**").

Donor's tax

The sale, exchange or disposition of shares of stock in a domestic corporation outside the facilities of the PSE may also be subject to the 6% donor's tax under Section 100 of the Tax Code if the shares of stock are transferred for less than an adequate and full consideration in money or money's worth to the extent of the amount by which the fair market value of the shares of stock exceeded the value of the consideration. However, a sale, exchange, or other transfer of the shares of stock made in the ordinary course of business (a transaction which is a *bona fide*, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

Taxes on transfer of shares listed and traded at the PSE

Unless an applicable income tax treaty exempts the sale from income and/or percentage tax (please see discussion below on tax treaties), a sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder (other than a dealer in securities) is subject to a percentage tax usually referred to as a stock transaction tax at the rate of six-tenths of one percent (6/10 of 1.0%) of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed, which shall be paid by the seller or transferor. This tax is required to be collected by and paid to the 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. Under certain income tax treaties, the exemptions from capital gains tax may not be applicable to stock transaction tax.

In addition, VAT of 12.0% is imposed on the commission earned by the PSE-registered broker, and is generally passed on to the client, the seller or transferor.

The stock transaction tax will not apply if the shares are sold outside the facilities of the PSE, including during a trading suspension. PSE Memorandum CN-No. 2012-0046 dated August 22, 2012 provides that immediately after December 31, 2012, the Philippine SEC shall impose a trading suspension for a period of not more than six (6) months, on shares of a listed company who has not complied with the Rule on Minimum Public Ownership ("**MPO**") which requires listed companies to maintain a minimum percentage of listed securities held by the public at 10.0% of the listed companies issued and outstanding shares at all times. SEC Memorandum Circular No. 13, Series of 2017 (the "**SEC 2017 Circular**"), which took effect on December 5, 2017, requires a higher MPO requirement of 20%. The SEC 2017 Circular covers any company applying for the registration of its shares of stocks for the purpose of conducting an IPO from December 5, 2017 but does not cover existing publicly-listed companies as they remain subject to the 10% MPO requirement. The sale of such listed company' shares during the trading suspension may be effected only outside the trading system of the PSE and shall therefore be subject to taxes on the sale of shares that are not listed or traded at the stock exchange (generally, these are capital gains tax and documentary stamp tax).

The stock transaction tax will also not apply if the shares sold are issued by a corporation that does not meet the MPO requirement, even if the sale is done through the facilities of the PSE. Revenue Regulations No. 16-2012 ("**R.R. 16-12**") provides that the sale, barter, transfer, and/or assignment of shares of listed companies that fail to meet the MPO requirement after December 31, 2012 will be subject to capital gains tax and documentary stamp tax. R.R. 16-12 also requires publicly listed companies to submit public ownership reports to the BIR within 15 days after the end of each quarter.

Preferential Rates under the Income Tax Treaties

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

Country	**Dividends (%)**	**Stock transaction tax on sale or disposition effected through the PSE (%)**[9]	**Capital Gains Tax Due on Disposition of Shares Outside the PSE**
Canada	25(1)	0.6	May be exempt(13)
China	15(2)	Exempt(10)	May be exempt(13)
France	15(3)	Exempt(11)	May be exempt(13)
Germany	15(4)	Exempt(12)	May be exempt(13)
Japan	15(5)	0.6	May be exempt(13)
Singapore	25(6)	0.6	May be exempt(13)
United Kingdom	25(7)	0.6	Exempt(14)

United States	25(8)	0.6	May be exempt(13)

Notes:

(1) 15% if the recipient company which is a resident of Canada controls at least 10% of the voting power of the company paying the dividends; 25% in all other cases.

(2) 10% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends; 15% in all other cases.

(3) 10% if the recipient company (excluding a partnership) holds directly at least 10% of the voting shares of the company paying the dividends; 15% in all other cases.

(4) 5% if the recipient company (excluding a partnership) holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company (excluding a partnership) holds directly at least 25% of the capital of the company paying the dividends.; 15% in all other cases

(5) 10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends; 15% in all other cases.

(6) 15% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company; 25% in all other cases.

(7) 15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends; 25% in all other cases.

(8) 20% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation; 25% in other cases. Notwithstanding the rates provided under the Convention between the Government of the Republic of the Philippines and the Government of the United States of America with respect to Taxes on Income, corporations which are residents of the United States may avail of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.

(9) If the stock transaction tax is not expressly included in the tax treaty, the income recipient will be subject to stock transaction tax at the rate of 0.6% of the gross selling price as provided under Section 127 of the Tax Code as amended by Section 39 of the TRAIN.

(10) Article 2(2)(b) of the Agreement between the Government of the Republic of the Philippines and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed on November 18, 1999.

(11) Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic Signed on January 9, 1976 was signed in Paris, France on June 26, 1995.

(12) Article 2 (3)(a) of Agreement between the Government of the Republic of the Philippines and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Income and Capital signed on September 9, 2013.

(13) Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.

(14) Under the income tax treaty between the Philippines and the United Kingdom, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.

When availing of capital gains tax exemption on the sale of shares of stock under an income tax treaty, a certification from the BIR on the exemption from capital gains tax pursuant to the tax treaty shall be necessary in order to completely implement the transfer. For sale of shares made outside the PSE, a CAR from the BIR is required before the transfer is registered in the stock and transfer book. The BIR issues the CAR only after verifying that the applicable taxes have been paid. Thus, in lieu of proof of payment of capital gains tax, the tax treaty relief ruling should be submitted to the BIR office processing the CAR.

The requirements for a tax treaty relief application in respect of capital gains tax or the stock transaction tax on the sale of shares are set out in Revenue Memorandum Order No. 14-2021 (*Streamlining the Procedures and Documents for the Availment of Treaty Benefits dated March 31, 2021*), as clarified by Revenue

Memorandum Circular No. 77-21 (*Clarification on Certain Provisions of Revenue Memorandum Order No. 14-21, dated June 15, 2021*), BIR Form No. 0901-C, and other BIR issuances. These include a Tax Residency Certificate (TRC) for the relevant period, duly issued by the tax authority of the foreign country in which the income recipient is a resident. Non-resident legal person or arrangements are also required to submit an authenticated copy of their Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language.

In availing tax treaty benefits, the withholding agent may rely on the submitted BIR Form No. 0901 (Application Form for Treaty Purposes), TRC, and the relevant provision of the tax treaty on whether to apply the treaty rates. If the withholding agent applied the treaty rates, he shall file with the BIR ITAD a request for confirmation on the correctness of the withholding tax rates applied on the income. The request for confirmation shall be filed any time after the transaction but not shall not be later than the last day of the fourth (4th) month following the close of the taxable year when the income is pair or when the transaction is consummated.

If the regular rates have been imposed on the income, the non-resident shall file a TTRA with ITAD to prove its entitlement to treaty benefits. Failure to prove the same may result in the confirmation of the tax rate previously applied on the income, and in the eventual denial of the TTRA.

If the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the non-resident taxpayer is not entitled to treaty benefits, it will issue a BIR Ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties

If the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient's entitlement to treaty benefits. In the latter case, the taxpayer may apply for a refund of excess withholding tax.

Documentary Stamp Taxes on Shares

The original issue of shares is subject to documentary stamp tax of ₱2.00 on each ₱200.00 of the par value, or fraction thereof, of the shares issued. On the other hand, the transfer of shares is subject to a documentary stamp tax at a rate of ₱1.50 on each ₱200.00, or fractional part thereof, of the par value of the shares. The documentary stamp tax is imposed on the person making, signing, issuing, accepting or transferring the document and is thus payable either by the vendor or the purchaser of the shares.

However, the sale, barter or exchange of Offer Shares should they be listed and traded through the PSE are exempt from documentary stamp tax.

Estate and Gift Taxes

Shares of stock in a domestic corporation are considered under Philippine law to be situated in the Philippines and any gain derived from their sale is entirely from Philippine sources; hence, such gain is subject to Philippine income tax and the transfer of such shares by gift (donation) or succession is subject to the donors' tax or estate tax.

The transfer of the Offer 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, shall be subject to an estate tax which is levied on the net estate of the deceased at a uniform rate of 6.0%. An investor shall be subject to donor's tax at a uniform rate of 6.0% based on the value of the total gift on the transfer of the Offer Shares by gift in excess of ₱250,000.00 made during a calendar year, regardless of the relation of the donor to the donee.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor. The estate tax and the donor's tax, in respect of the Offer Shares, shall not be collected: (1) if the decedent at the time of his death or the donor at the time of the 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 (2) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows 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.

In case the Offer Shares are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the Offer Shares exceeded the value of the consideration may be deemed a gift, and donor's taxes may be imposed on the transferor of the Offer Shares, based on Section 100 of the Philippine Tax Code, provided that a transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

Taxation outside the Philippines

The tax treatment of a non-resident holder in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of its domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations of non-resident holders of shares of stock under laws other than those of the Philippines.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

Regulatory Framework

The statements herein are based on the laws in force as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the regulatory and environmental considerations that may be relevant to the Company or the offering.

Revised Corporation Code

Republic Act No. 11232, also known as the Revised Corporation Code, was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the notable amendments in the Revised Corporation Code are as follows: (i) corporations are now generally given a perpetual existence; (ii) a new section on one-person corporation was added; (iii) the requirement that at least 25% of the authorized capital stock must be subscribed, and at least 25% of the subscribed shares must be paid-up upon incorporation was removed; (iv) stockholders can now vote in absentia; (v) incorporators now include any person, partnership, association or corporation; and (vi) the powers of the SEC to prosecute and investigate offenses under the Revised Corporation Code have been expanded.

The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

Securities Regulation Code

The Securities Regulation Code ("**SRC**"), formally known as Republic Act No. 8799, was enacted on July 19, 2000, replacing the Revised Securities Act of 1982. The SRC governs the securities market in the Philippines, seeking to protect investors, develop an efficient and transparent capital market, and establish comprehensive regulatory oversight over securities transactions and market participants.

The SRC applies to all transactions involving securities in the Philippines, including the issuance, registration, and trading of securities. It regulates both the primary and secondary markets to ensure fair trading practices, prevent fraud, and safeguard public interests. Key provisions of the SRC include:

- **Registration of Securities**: Securities to be offered for sale or distribution to the public must be registered with the SEC. The registration requires the issuer to file a registration statement and comply with the disclosure standards set forth in the SRC.
- **Disclosure Requirements**: The SRC mandates continuous disclosure of material information by issuers of registered securities, including annual and quarterly reports, to ensure that investors have adequate and accurate information to make informed decisions.
- **Anti-Fraud**: The SRC prohibits fraudulent activities, including insider trading, market manipulation, and deceptive practices, which could harm investors or distort the integrity of the market.

The 2015 Implementing Rules and Regulations of the SRC or the 2015 SRC Rules, which implement the provisions of the SRC, provide further clarity and procedural guidelines for compliance with the law. These rules ensure that market participants fully understand their obligations under the SRC and the steps necessary to comply with SEC regulations.

Laws on housing and land projects

Republic Act No. 11201: Department of Human Settlements and Urban Development Act

Republic Act No. 11201 or the Department of Human Settlements and Urban Development Act, which was signed into law on February 14, 2019, created the Department of Human Settlements and Urban Development (the "DHSUD"), through the consolidation of the HLURB and the Housing and Urban Development Coordinating Council ("HUDCC").[47] The DHSUD has been mandated to act as the primary national government entity responsible for the management of housing, human settlement, and urban development, and the sole and main planning and policymaking, regulatory, program coordination, and performance monitoring entity for all housing, human settlement, and urban development concerns, primarily focusing on the access to and the affordability of basic human needs. Its powers and functions include the regulation of housing and real estate development.

The DHSUD exercises administrative supervision over the following housing agencies, which shall remain attached for purposes of policy and program coordination, monitoring, and evaluation: (a) National Housing Authority (NHA), (b) National Home Mortgage Finance Corporation (NHMFC), (c) Home Development Mutual Fund (HDMF), and (d) Social Housing Finance Corporation (SHFC).

The Human Settlements Adjudication Commission (the "HSAC") was reconstituted from the HLURB and is mandated to adjudicate, among others, disputes relating to real estate development, homeowners' association, and appeals from decision of local and regional planning and zoning bodies. Hence, the adjudicatory functions of the HLURB are transferred to the HSAC, and HLURB is attached to the DHSUD for policy, planning and program determination only.

On 19 July 2019, the implementing rules and regulations ("IRR") of Republic Act No. 11201 were approved. These describe in more detail the functions of the DHSUD and enumerate the functions of the HLURB that were transferred to it, such as, among others, its regulatory functions, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums, and similar real estate developments. The IRR of Republic Act No. 11201 also enumerates the oversight and monitoring functions of the Department and its powers and functions in relation to public housing and urban development.

Presidential Decree No. 957: The Subdivision and Condominium Buyers' Protective Decree

Presidential Decree No. 957, or the Subdivision and Condominium Buyers' Protective Decree ("PD 957"), as amended, is the principal statute regulating the development and sale of real property as part of a condominium project or subdivision. It was enacted pursuant to the policy of the state to ensure that real estate subdivision owners, developers, operators, and/or sellers provide and properly maintain roads, drainage, sewerage, water systems, lighting systems and other similar basic requirements in order to guarantee the health and safety of home and lot buyers. PD 957 covers condominium and subdivision projects for residential, commercial, industrial, and recreational areas as well as open spaces and other community and public areas in the project. The DHSUD is the administrative agency of the government which, together with local government units ("LGUs"), enforces PD 957 and has jurisdiction over real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are required to be filed with and approved by the DHSUD and the relevant LGU of the area where the project is situated. Approval of such plans is conditional on, among other things, the developer's financial, technical, and administrative capabilities. Before it is approved, the subdivision plan must comply with the Subdivision Standards and Regulations. On the other hand, the condominium plan, in addition to complying with the same procedure, must also comply with Presidential Decree No. 1096, or the National Building Code, with respect to the building(s) included in the condominium project. The owner or developer shall submit the condominium plan in accordance with the requirements of the National Building Code to

[47] In view of this law, Republic Act No. 11201, references to "HLURB" in certain laws and regulations mentioned in this section "Regulatory Framework" have been changed to "DHSUD". Such similar references have been also used elsewhere in this Prospectus.

the building official of the city or municipality where the property lies and the same shall be acted upon subject to the conditions and in accordance with the procedure prescribed in Section 4 of Republic Act No. 4726, or the Condominium Act.

Alterations of approved condominium plans affecting significant areas of the project, such as infrastructure and public facilities, also require prior approval of the DHSUD and the city or municipal engineer.

The development of subdivision and condominium projects can only commence after the relevant government body has issued the required development permit and the necessary building or construction permits in accordance with the requirements of the city or municipality where the property lies. The issuance of a development permit is dependent on, among other things: (i) compliance with the required project standards and technical requirements that may differ depending on the nature of the project; and (ii) issuance of the barangay clearance, the locational and zoning clearance, permits issued by the Department of Environment and Natural Resources ("DENR") (such as the Environmental Compliance Certificate ("ECC") or Certificate of Non-Coverage ("CNC")), conversion order or exemption clearance from the Department of Agrarian Reform ("DAR"), permit to drill from the National Water Resources Board, and such other permits and approvals. In cases where the property involved is located in an area already classified as residential, commercial, industrial or other similar development purposes, a DAR conversion order shall no longer be required as a precondition for issuance of Certificate of Registration and License to Sell ("LTS").

Developers who sell lots or units in a subdivision or a condominium project are required to register the project with and obtain a LTS from the DHSUD. Subdivision or condominium units may only be sold or offered for sale after a LTS has been issued by the DHSUD. Further, to ensure that the owner or developer of a proposed subdivision or condominium project shows firm commitment to proceed with a project, current DHSUD regulations require minimum developments before the issuance of a license to sell: (a) for subdivision projects, proof of land clearing and grubbing, road tracing and entrance gate if included in the brochure or advertisement; and (b) for condominium projects, excavation per approved plan/excavation permit. Developers must also include a statement in their LTS that buyers of houses and lots, lots, or condominiums shall be given the option to avail of a home financing scheme of their choice.

As a requisite for the issuance of a LTS by the DHSUD, developers are required to file with the DHSUD any of the following to guarantee 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 with the applicable laws, rules and regulations:

1. a surety bond callable upon demand equivalent to 20% of the development cost of the unfinished portion of the approved plan, issued by a duly accredited bonding company (whether private or government), and acceptable to the DHSUD;

2. a real estate mortgage executed by the applicant developer as mortgagor in favor of the Republic of the Philippines, as represented by the DHSUD, as mortgagee, over property other than that subject of the application, free from any liens and encumbrance and provided that the value of the property, computed on the basis of the zonal valuation of the Bureau of Internal Revenue, shall be at least 20% of the total development cost; or

3. other forms of security equivalent to 10% of the development cost of the unfinished portion of the approved plan which may be in the form of the following:

    a) a cash bond;
    b) a fiduciary deposit made with the cashier and/or disbursing officer of the DHSUD;
    c) a certificate of guaranty deposit issued by any bank or financing institution of good standing in favor of the DHSUD for the total development cost;
    d) a letter from any bank of recognized standing certifying that so much has been set aside from the bank account of the developer in favor of the DHSUD, which amount may be

withdrawn by the DHSUD at any time the developer fails or refuses to comply with its duties and obligations under the bond contract; or

e) any irrevocable credit line to be utilized in the development of the project from any bank of recognized standing and a refinancing re-structuring program indicating sources of funding from duly accredited funding institutions.

The DHSUD is vested with quasi-judicial powers and regulatory functions necessary for the enforcement and implementation of PD 957. Among these regulatory functions are: (i) regulation of the real estate trade and business; (ii) registration of subdivision lots and condominium projects; (iii) issuance of LTS subdivision lots and condominium units in the registered units; (iv) approval of performance bond and the suspension of LTS; (v) registration of dealers, brokers and salesman engaged in the business of selling subdivision lots or condominium units; (vi) revocation of registration of dealers, brokers, and salesmen; (vii) approval of mortgage on any subdivision lot or condominium unit made by the owner or developer; (viii) granting of permits for the alteration of plans and the extension of period for completion of subdivision or condominium projects; (ix) approval of the conversion to other purposes of roads and open spaces found within the project which have been donated to the city or municipality concerned; (x) regulation of the relationship between lessors and lessees; and (xi) hear and decide cases on unsound real estate business practices, claims involving refund filed against project owners, developers, dealers, brokers or salesmen, and cases of specific performance.

The DHSUD is also authorized, *motu proprio* or upon verified complaint filed by a buyer of a subdivision lot or condominium unit, to revoke the registration of any subdivision project or condominium project and the LTS any subdivision lot or condominium unit in said project upon showing that the owner or dealer:

a) is insolvent;
b) has violated any of the provisions of PD 957, or any applicable rule or regulation of the DHSUD, or any undertaking under his/its bond;
c) has been or is engaged or is about to engage in fraudulent transactions;
d) has made any misrepresentation in any offer supplement, prospectus, brochure, circular, or other literature about the subdivision project or condominium project that has been distributed to prospective buyers;
e) is of bad business repute; or
f) does not conduct his business in accordance with law or sound business principles.

. A License or Permit to Sell may only be suspended, cancelled or revoked after a written notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the DHSUD's rules of procedure and other applicable laws.

Executive Order No. 71, *Series of 1993*

Under *Executive Order No. 71*, *Series of 1993*, cities and municipalities assume the powers of the DHSUD over the following:

a) approval of preliminary as well as final subdivision schemes and development plans of all subdivisions, residential, commercial, industrial, and for other purposes;
b) approval of preliminary as well as final subdivision schemes and development plans of all economic and socialized housing projects;
c) evaluation and resolution of opposition against issuance of development permits for any of said projects; and
d) monitoring the nature and progress of its approved land development projects, to ensure their faithfulness to the approved plans and its specifications.

Republic Act No. 7279: Urban Development and Housing Act of 1992

Republic Act No. 7279, as amended, or the Urban Development and Housing Act of 1992, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or 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 DHSUD and other existing laws. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies, enter into joint venture arrangements with other developers engaged in socialized housing development, or undertake the other manners of compliance under HLURB Memorandum Circular No. 9, series of 2018.

In case the developer is a BOI-registered entity, the BOI Memorandum Circular No. 2022-006, series of 2022, provides that the use of escrow shall be an acceptable mode of compliance to the socialized housing requirement.

Republic Act No. 9646: Real Estate Service Act

Real estate dealers, brokers, and salesmen are also required to register with the DHSUD before they can sell lots or units in a registered subdivision or condominium project. Furthermore, no person shall practice or offer to practice real estate service in the Philippines, unless he/she has satisfactorily passed the licensure examination given by the Professional Regulatory Board of Real Estate Service. Under Republic Act No. 9646, or the Real Estate Service Act, every applicant seeking to be registered and licensed as a real estate service practitioner, except a real estate person, must undergo a licensure examination. The real estate service practitioners required to take the licensure examination are:

1. Real estate consultants — duly registered and licensed natural persons who, for a professional fee, compensation or other valuable consideration, offer or render professional advice and judgment on: (i) the acquisition, enhancement, preservation, utilization or disposition of lands or improvements thereon; and (ii) the conception, planning, management and development of real estate projects;

2. Real estate appraisers — duly registered and licensed natural persons who, for a professional fee, compensation or other valuable consideration, perform or render, or offer to perform services in estimating and arriving at an opinion of or act as an expert on real estate values, such services of which shall be finally rendered by the preparation of the report in acceptable written form;

3. Real estate assessors – duly registered and licensed natural persons who work in a LGU and perform appraisal and assessment of real properties, including plants, equipment, and machineries, essentially for taxation purposes; or

4. Real estate brokers — duly registered and licensed natural persons who, for a professional fee, commission or other valuable consideration, act as an agent of a party in a real estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate or effect the meeting of the minds on the sale, purchase, exchange, mortgage, lease or joint venture, or other similar transactions on real estate or any interest therein.

Republic Act No. 4726: The Condominium Act

Under the Condominium Act, the owner of a project shall, prior to the conveyance of any condominium therein, register a Declaration of Restrictions ("Declaration") relating to such project, which restrictions shall constitute a lien upon each condominium unit in the project, and shall insure to and bind all condominium owners in the project. Such liens, unless otherwise provided, may be enforced by any condominium owner in the project or by the management body of such project. The Register of Deeds ("RD") shall enter and annotate the declaration of restrictions upon the certificate of title covering the land included within the project.

The Declaration shall provide for the management of the project by anyone of the following management bodies: a condominium corporation, an association of the condominium owners, a board of governors elected by condominium owners, or a management agent elected by the owners or by the board named in the Declaration. It shall also provide for voting majorities *quorums*, notices, meeting date, and other rules governing such body or bodies.

Further, any transfer or conveyance of any unit or an apartment, office or store or other space, shall include the transfer or conveyance of the undivided interests in the common areas, or, in a proper case, the membership or shareholdings in the condominium corporation.

A condominium corporation shall not, during its existence, sell, exchange, lease, or otherwise dispose of the common areas owned or held by it in the condominium project unless authorized by the affirmative vote of a simple majority of the registered owners with prior notification to all registered owners. Further, the condominium corporation may expand or integrate the project with another upon the affirmative vote of a simple majority of the registered owners, subject only to the final approval of the DHSUD.

HLURB Memorandum Circular No. 03, Series of 2016

HLURB Memorandum Circular No. 03, Series of 2016, or the 2015 Guidelines on Time Completion (the "Guidelines") provides that projects required by law to be registered with the DHSUD such as industrial, commercial and residential subdivisions, residential or commercial condominiums, and similar projects, such as memorial parks, should be completed within one year from the date of the issuance of the license, or any other period fixed by the DHSUD ("Time of Completion"). Failure to comply with the Time of Completion will: (1) entitle buyers to exercise their rights under PD 957 and the Civil Code of the Philippines in addition to other rights and remedies under other laws; and (2) subject the owner or developer to administrative fines, sanctions, and penalties which may include the suspension of the LTS and a cease-and-desist order.

The DHSUD shall rely on the work program or program of development submitted during the application for a Certificate of Registration and LTS in determining the applicable Time of Completion of a project.

Residential subdivision projects are subject to different Times of Completion for the land and the housing components. The Time of Completion for land development, which includes land clearing and grubbing, road construction, installation of power and water distribution system, construction of drainage and sewerage systems, and other developments, will depend on the work program or program of development submitted by the owner or developer. All subdivision amenities and facilities such as clubhouse, playgrounds, sports facilities and other infrastructures included in the approved project plans, brochures, offer supplement, prospectus, printed matters, letters, or any forms of advertisement shall be developed and completed within the period for the project's land development. Meanwhile, the completion and delivery of any housing unit purchased shall be explicitly provided in the contract to sell or any purchase agreement, and absent any indication thereof, will not exceed one year from the date of purchase.

For condominium projects, all facilities and amenities included in the approved project plans, brochures, offer supplement, prospectus, printed matters, letters, or any forms of advertisement shall be completed in accordance with the work program or program of development of the project.

The Guidelines also provides that the Time of Completion which shall include the date, time and year shall be indicated in the LTS of the project, which shall be binding and obligatory on the part of the owner or developer, unless a shorter period of completion or delivery is represented in any form of advertisement. The Time of Completion should be indicated in any advertisement of a project.

As a general rule, the Time of Completion is non-extendible, except in the following instances and upon the posting of a bond or security:

1. Existence of sub-soil conditions discoverable only after actual excavation and would require additional excavation time;

2. Occurrence of a fortuitous event completely independent of the will of the owner or developer, that requires reconstruction or causes delays in the project, and renders its completion within the original approved period impossible in a normal manner;

3. Issuance of a lawful order of a court, other government agency or local government unit that temporarily enjoins the development of the project, unless such issuance is caused by the fault, mistake or negligence of the owner or developer.

If an owner or developer wishes to apply for additional time due to the foregoing grounds, it shall file a sworn application with the Regional Field Office of the DHSUD where the project is registered, including a proof of notice to all lot or unit buyers, a revised work program with computation of remaining cost of completion and other requirements, within 60 days from the discovery of the unfavorable sub-soil conditions, the occurrence of the fortuitous event, or from receipt of the order or issuance of a court or government body.

The owner or developer of a project that is not completed on time will be given a Notice of Alleged Reported Violation requiring it to explain under oath why no administrative fine and sanctions and cease- and-desist order should be imposed against it. Should the owner or developer fail to comply with the order or justify the non-completion of a project, an order imposing administrative fines and sanction shall be issued, and the owner or developer shall be required to submit additional documentations on the project.

Upon review of the submitted documents, a final order shall be issued requiring the completion of the project within such period as may be fixed by the DHSUD, and a performance bond shall be secured conditioned on this undertaking. In case of non-completion of the project within the approved Time of Completion, an administrative fine shall be imposed in accordance with the approved Schedule of Fines and other existing DHSUD guidelines, the LTS shall be suspended, and a cease-and-desist order shall be issued enjoining the owner or developer from further selling any lot, including any building or improvement thereon, or any unit in a project, from advertising the project, and from collecting amortization payment, until the completion of the project and issuance of a Certificate of Completion.

HLURB Resolution No. 985, Series of 2019: 2019 Real Estate Development Monitoring Rules of HLURB

On June 17, 2019, the HLURB (now the DHSUD) released HLURB Resolution No. 985 entitled Approving the 2019 Administrative Rules of Procedure in the Monitoring of Real Estate Development Projects and Imposition of Sanctions for Violation of Presidential Decree No. 957 and Other Related Laws and their Implementing Rules and Regulations. This is primarily aimed at ensuring the faithful observance by owners and/or developers of their obligation to fully develop the project on time and in accordance with the approved development plan, contractual stipulations, sales representations, and pertinent conditions imposed in clearances, permits and licenses.

The Regional Officer shall have jurisdiction and power to investigate land use or development projects in real estate transactions to determine whether the said project satisfactorily complies with the terms and conditions of the clearance, permit, license, approval or certificate, and to verify reports of alleged violations of the laws, rules and regulations implemented by the DHSUD. The Regional Officer may issue an Authority to Monitor specific projects, issue cease-and-desist orders restraining the commission or continuance of acts complained of, impose fines and penalties for violations of laws, rules and regulations, cite any person in indirect contempt, and issue writs or alias writs of execution to enforce orders and rulings of the Regional Office.

DHSUD Department Order No. 2023-007, Series of 2023

Department Order No. 2023-004, Series of 2023, authorizes the issuance of Certificates of Registration and Licenses to Sell for projects with certificates of title annotated with lien or encumbrance under Section 4, Rule 74 of the Rules of Court, or Section 7 of Republic Act No. 26, provided that the rules and requirements are strictly complied with.

The applications for the issuance of the Certificate of Registration or LTS for projects with certificates of title annotated with lien or encumbrance under Section 4, Rule 74 of the Rules of Court may be accepted and/or granted provided that: (1) the application is filed within the two-year period from date of inscription of the annotation; and (2) the developer shall: (a) post an adequate surety bond to answer for any claim that might be charged against the property; and (b) execute and submit an undertaking under oath that he shall immediately cause the cancellation of the annotation after the lapse of the two-year period, there being no timely petition filed by any excluded heir or creditor. If the application is filed after the two-year period from date of inscription, a bond shall not be required, provided the developer submits proof of fling of appropriate petition for the cancellation of such annotation.

The application for the issuance of the Certificate of Registration or LTS for a project with a reconstituted certificate of title annotated with lien or encumbrance under Republic Act No. 26 may only be accepted and/or granted provided that: (1) the two-year period has lapsed and no petition was filed by any person for the annotation of any right or interest not noted on the reconstituted title; (2) the developer shall submit proof of filing of the appropriate petition for the cancellation of the annotation; and (3) the developer shall post a bond.

Notwithstanding the foregoing, the developer shall timely deliver the unitized or subdivided title in favor of the buyer in accordance with the contract to sell or any other purchase agreement, free from any lien or encumbrance. The cost of the cancellation of the annotation shall fully be for the account of the developer.

Real estate sales on installments

Republic Act No. 6552: Maceda Law

The provisions of Republic Act No. 6552, or the Maceda Law, apply to all transactions or contracts involving the sale or financing of real estate on installment payments, including residential condominium units but excluding industrial lots, commercial buildings and sales to tenants under Republic Act No. 3844, as amended.

Under the provisions of the Maceda Law, where a buyer of real estate has paid at least two years of installments, the buyer is entitled to the following rights in case he/she defaults in the payment of succeeding installments:

1. To pay, without additional interest, the unpaid installments due within the total grace period earned by him/her, which is fixed at the rate of one month for every one year of installment payments made. However, the buyer may exercise this right only once every five years during the term of the contract and its extensions, if any.

2. If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to 50% of the total payments made, and in cases where five years of installments have been paid, an additional 5% every year (but with a total not to exceed 90% of the total payments); Provided, that the actual cancellation of the contract shall take place after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

The computation of the total number of installment payments made includes down payments, deposits, or options on the contract.

In the event that the buyer has paid less than two years of installments, the seller shall give the buyer a grace period of not less than 60 days from the date the installment became due. If the buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

The buyer has the right to sell his/her 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.

Zoning and land use

Republic Act No. 7160: Local Government Code of the Philippines

A city or municipality may, through an ordinance passed by the *Sanggunian*, after conducting public hearings for the purpose, authorize the reclassification of agricultural lands and provide for the manner of their utilization or disposition in the following cases: (i) when the land ceases to be economically feasible and sound for agriculture as determined by the Department of Agriculture ("DA"); or (ii) where the land shall have substantially greater economic value for residential, commercial, or industrial purposes, as determined by the *Sanggunian* concerned; provided that such reclassification shall be limited to the following percentage of total agricultural land area at the time of the passage of the ordinance:

1. For Highly Urbanized and Independent Component Cities, fifteen percent (15%);

2. For Component Cities and First to Third Class Municipalities, ten percent (10%);

3. For Fourth to Sixth Class Municipalities, five percent (5%).

Zoning ordinances may also limit land use. Once enacted, a comprehensive land use plan approved by the relevant LGU may restrict land use in accordance with such land use plan. Zoning ordinances may also classify lands as commercial, industrial, residential, or agricultural. Lands may also be further re-classified based on an LGU's future projection of needs.

Republic Act No. 6657: Comprehensive Agrarian Reform Law of 1988

Under Republic Act No. 6657, as amended, or the Comprehensive Agrarian Reform Law of 1988, and such other rules and regulations currently in effect in the Philippines, land classified for agricultural purposes as of or after June 15, 1988 cannot be converted to non-agricultural use without the prior approval of the DAR.

Republic Act No. 11231: Agricultural Free Patent Reform Act

This Act removes restrictions imposed on the registration, acquisition, encumbrance, alienation, transfer, and conveyance of lands covered by free patents to allow the efficient and effective utilization of these lands. Under this Act, agricultural public lands alienated or disposed in favor of qualified public land applicants under Section 44 of Commonwealth Act No. 141, as amended, shall not be subject to restrictions imposed under Sections 118, 119 and 121 thereof regarding acquisitions, encumbrances, conveyances, transfers, or dispositions. Agricultural free patent shall now be considered as title in fee simple and shall not be subject to any restriction on encumbrance or alienation.

This Act has retroactive effect and any restrictions regarding acquisitions, encumbrances, conveyances, transfers, or dispositions imposed on agricultural free patents issued under Section 44 of Commonwealth Act No. 141, as amended, before the effectivity of this Act shall be removed and are hereby immediately lifted.

Property registration and nationality restrictions

Presidential Decree No. 1529: Property Registration Decree

The Philippines has adopted a system of land registration, which evidences land ownership that is binding on all persons. Once registered, title to registered land becomes indefeasible after one year from the date of entry of the decree of registration 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, or the Property Registration Decree, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper survey, application, publication, 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 to the Court of Appeals and ultimately to the Supreme Court within 15 days from receiving notice of judgment. Upon finality of judgment, the appropriate RD may issue an Original Certificate of Title ("OCT"). 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's issuance of a patent. The patent becomes the basis for issuance of the OCT by the RD. All land patents (i.e., homestead, sales and free patents) must be registered with the appropriate RD since the conveyance of the title to the land covered thereby takes effect only upon such registration.

The act of registration shall be the operative act to convey or affect the land insofar as third persons are concerned, and in all cases under the said decree, the registration shall be made in the office of the RD for the province or city where the land lies. Every conveyance, mortgage, lease, lien, attachment, order, judgment, instrument, or entry affecting registered land, if registered, filed or entered in the office of the RD for the province or city where the land to which it relates lies, shall be constructive notice to all persons from the time it is registered, filed, or entered in the records of the RD.

All interests in registered land less than ownership (such as liens created by mortgages and leases) shall be registered by filing with the RD the instrument which creates or transfers or claims such interests and by a brief memorandum thereof made by the RD upon the certificate of title and signed by him. A similar memorandum shall also be made on the owner's duplicate.

Any subsequent transfer or 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 RD. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the sales price. In the event a mortgage over the lot or unit is outstanding at the time of the issuance of the title to the buyer, the owner or developer shall redeem the mortgage or the corresponding portion thereof within six months from such issuance in order that the title over any fully paid lot or unit may be secured and delivered to the buyer. To evidence ownership of condominium units, the RD issues a Condominium Certificate of Title.

Article XII, Section 7 of the Constitution; Commonwealth Act No. 141

Article XII, Section 7 of the Constitution, in relation to Chapter 5 of the Commonwealth Act No. 141, states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, pursuant to Republic Act No. 4726 (as amended), with respect to condominium developments, the ownership of condominium units where the common areas in the condominium project are co-owned by the owners of the separate units or owned by a corporation is limited to up to 40% foreign equity.

Republic Act No. 7042, as amended: Foreign Investments Act of 1991

Republic Act No. 7042, otherwise known as the Foreign Investments Act of 1991, as amended, and the Twelfth Regular Foreign Investment Negative List, provide that certain investment areas and economic activities are nationalized or partly nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under these regulations, ownership of private lands and condominium units is partly nationalized with up to only 40% foreign equity.

Environmental laws and safety standards

Environmental Impact Statement System

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate ("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 is generally required to submit an Initial Environmental Examination ("IEE") to the proper DENR regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges is considered an environmentally critical project for which EIS and ECC are mandatory. In determining the scope of the EIS System, two factors are considered: (i) the nature of the project and its potential to cause significant negative environmental impacts, and (ii) the sensitivity or vulnerability of environmental resources in the project area.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the direct and indirect consequences of the project 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 an EIS or an IEE may vary from project to project, as a minimum, each contains all relevant information regarding the project's 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 issuance of an 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.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property, and the environment or where the project requires rehabilitation or restoration. The EGF is intended to meet any damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are required to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. In any case, the establishment of an EMF must not be later than the initial construction phase of the project. The EMF shall be used to support the activities of a multi-partite monitoring team organized to monitor compliance with the ECC and applicable laws, rules, and regulations.

While a development project may not fall under the categories wherein an ECC is required, it is still required to obtain a CNC from the EMB or the DENR Regional Office. The applicant must submit a Project Description to the EMB, which will then evaluate whether or not an ECC is required for the project. If an ECC is not required, then the EMB will issue a CNC to be submitted to the DHSUD.

Aside from the EIS and IEE, engineering, geological and geo-hazard assessments are also required for ECC applications covering subdivisions, housing, and other land development and infrastructure projects.

Presidential Decree No. 1096: National Building Code of the Philippines

Under the Building Code, in order for a person or corporation to erect, construct, alter, repair, move, convert, or demolish any building or structure, a building permit must first be secured from the Building Official assigned at the place where the building work is to be done. A building permit is a written authorization granted by the building official to an applicant allowing him to proceed with the construction of a building after plans, specifications, and other pertinent documents required for the construction of the structure have been found to be in conformity with the Building Code.

All buildings or structures as well as accessory facilities thereto shall conform in all respects to the principles of safe construction under the Building Code and must be suited to the purpose for which they are designed. Buildings or structures and all parts thereof as well as all facilities found therein shall be maintained in safe, sanitary, and good working condition.

The land or site upon which will be constructed any building or structure, or any ancillary or auxiliary facility thereto, shall be sanitary, hygienic, or safe. In the case of sites or buildings intended for use as human habitation or abode, the same shall be at a safe distance, as determined by competent authorities, from streams or bodies of water and/or sources of air considered to be polluted; from a volcano or volcanic site and/or any other building considered to be a potential source of fire or explosion.

Aside from the building permit under the Building Code, an applicant in specific instances may be required to secure a Height Clearance Permit from the Civil Aviation Authority of the Philippines.

Republic Act No. 9514: Fire Code of the Philippines

Republic Act No. 9514, otherwise known as the Fire Code of the Philippines, seeks to ensure public safety and promote economic development by preventing and suppressing all kinds of destructive fires. Compliance with the following requirements is expected from building owners, administrators, and occupants: (i) inspection requirements; (ii) safety measures for hazardous materials; (iii) safety measures for hazardous operations or processes; (iv) provisions on fire safety construction, protective and warning systems; and (v) abatement of fire hazards.

Non-compliance with the said requirements may result in the imposition of administrative fines and penalties.

Presidential Decree No. 1067: The Water Code of the Philippines

Presidential Decree No. 1067, otherwise known as The Water Code of the Philippines, requires a water permit for the utilization, exploitation, and appropriation of natural bodies of water, except in certain instances provided under the Water Code of the Philippines. Examples of the use of water include domestic, municipal, irrigation, power generation, fisheries, livestock raising, industrial, and recreational. Only citizens of the Philippines, of legal age, as well as juridical persons, who are duly qualified by law to exploit and develop water resources, may apply for water permits. Any person who desires to obtain a water permit shall file an application who shall make known said application to the public for any protests. The right to the use of water is deemed acquired as of the date of filing of the application for a water permit in case of approved permits, or as of the date of actual use in a case where no permit is required. All water permits granted shall be subject to conditions of beneficial use, adequate standards of design and construction, and such other terms and conditions as may be imposed. Such permits shall specify the maximum amount of water which may be diverted or withdrawn, the maximum rate of diversion or withdrawal, the time or times during the year when water may be diverted or withdrawn, the point or points of diversion or location of wells, the place of use, the purposes for which water may be used, and such other requirements as may be deemed desirable.

Appropriation of water without obtaining the necessary water permit when applicable may expose such entity to the imposition of penalties. Water permits may be also revoked after due notice and hearing on grounds of non-use; gross violation of the conditions imposed in the permit; unauthorized sale of water; willful failure or refusal to comply with rules and regulations or any lawful order; pollution, public nuisance, or acts detrimental to public health and safety; when the appropriator is found to be disqualified under the law to exploit and develop natural resources of the Philippines; when, in the case of irrigation, the land is converted to non-agricultural purposes; and other similar grounds.

Republic Act No. 9275: The Philippine Clean Water Act of 2004

The Clean Water Act of 2004 or Republic Act No. 9275 aims to protect the country's water bodies from pollution from land-based sources (i.e., industries and commercial establishments, agriculture, and community or household activities) in the pursuit of economic growth in a manner consistent with the protection, preservation, and revival of the quality of the country's fresh, brackish, and marine waters. It provides for a comprehensive and integrated strategy to prevent and minimize pollution through a multisectoral and participatory approach involving all the stakeholders.

It requires owners or operators of facilities that discharge regulated effluents (i.e., wastewater from commercial facilities) to secure a permit to discharge from the DENR. The discharge permit shall be the legal authorization granted by the DENR 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, with compliance schedule and monitoring requirement.

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.

Republic Act No. 8749: The Philippine Clean Air Act of 1999

In pursuit of balancing development and environmental protection, the Clean Air Act of 1999 or Republic Act No. 8749 was enacted to create a holistic national program of air pollution management and encourage cooperation and self-regulation among citizens and industries through the application of market-based instruments. It sets air quality standards and emission limits for different industries and sources of air pollution. The DENR is granted authority to issue permits as it may determine necessary for the prevention and abatement of air pollution. Said permits cover emission limitations for the regulated air pollutants to help attain and maintain the ambient air quality standards. Non-compliance or violations of the law or its rules and regulations may expose the violator to the imposition of fines and penalties.

Republic Act No. 9003: The Ecological Solid Waste Management Act of 2000

Republic Act No. 9003, otherwise known as The Ecological Solid Waste Management Act of 2000, aims to ensure the protection of the public health and environment by adopting a systematic, comprehensive, and ecological solid waste management program using environmentally-sound methods that maximize the utilization of valuable resources and encourage resource conservation and recovery. It also provides guidelines for avoidance and reduction of solid waste through various measures, such as mandatory segregation of solid wastes and recycling. The law extends both fiscal and non-fiscal incentives to those who have undertaken outstanding and innovative projects, technologies, processes, and techniques or activities in re-use, recycling, and reduction. Violations therewith may result in the imposition of fines and penalties.

Business Permits

Before any corporation may commence business operations within a locality, it must secure the requisite permits, clearances, and licenses from the relevant LGU where it is situated. Usually, it is assumed that a corporation has complied with all of the permitting requirements of the LGU if it is issued a business permit. These permits, clearances, and licenses must be renewed on an annual basis. Requirements and deadlines vary depending on the locality.

Failure to obtain the necessary business permit means that a corporation may not be allowed to operate its business within the relevant locality. The LGU may impose fines and penalties for failure of an entity to register, which fines and penalties may vary depending on the locality. The LGU may also shut down the existing operations of a business establishment until the permits, clearances, and licenses are obtained and the corresponding fees and penalties as assessed by the LGU are settled.

Intellectual Property

Under the Intellectual Property Code of the Philippines, the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal government agency involved in the registration of brand names, trademarks, patents and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office shall issue a certificate of registration to the owner of the mark, which shall confer the right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered. The said certificate of registration shall also serve as prima facie evidence of the validity of registration and the registrant's ownership of the mark. A certificate of registration shall remain in force for an initial period of 10 years and may be renewed for periods of 10 years at its expiration, subject to the submission of Declarations of Actual Use.

Real property taxation

Republic Act No. 7160: Local Government Code of the Philippines

Real property taxes are payable annually or quarterly based on the property's assessed value. Assessed values are determined by applying the assessment levels (fixed by ordinances of the concerned *Sanggunian*) against the fair market values of real property. Under Republic Act No. 7160, as amended, or the Local Government Code of the Philippines, the assessed value of property and improvements varies depending on the location, use and nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed up to 80% of their fair market values; 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. A province or city, or a municipality within Metro Manila may also levy and collect an annual tax of 1% on the assessed value of real property which shall be in addition to the basic real property tax to accrue exclusively to the Special Education Fund of the LGU where the property is located.

In the event there are unpaid real property taxes relating to real property, such taxes constitute a lien on the property which shall be superior to any other lien, mortgage, or encumbrance of any kind whatsoever, and shall be extinguished only upon payment of the delinquent taxes and penalties. Failure to pay the real property tax will result in the payment of interest at the rate of 2% per month on the unpaid amount or a fraction thereof, until the delinquent tax shall have been fully paid; provided, however, that in no case shall the total interest on the unpaid tax or portion thereof exceed 36 months.

Construction license

A regular contractor's license is required to be obtained from the Philippine Contractors Accreditation Board ("PCAB"). In applying for and granting such license, the PCAB takes into consideration the applicant-contractor's qualifications and compliance with certain minimum requirements in the following criteria: (i) financial capacity, (ii) equipment capacity, (iii) experience of the firm, and (iv) experience of technical personnel. Philippine laws also require a contractor to secure construction permits and environmental clearances from appropriate government agencies prior to actually undertaking each project.

In the case of *Philippine Contractors Accreditation Board v. Manila Water Co., Inc*. (G.R. No. 217590, March 10, 2020), the Supreme Court held that foreigners could obtain regular licenses from the PCAB. It ruled that the construction industry is not one which the Constitution has reserved exclusively for Filipinos. Neither do the laws enacted by Congress show any indication that foreigners are proscribed from entering into the same projects as Filipinos in the field of construction. "Private Domestic Construction Contracts" has also been removed from the Foreign Investments Negative List since 1998. This means that the restriction on foreign investments in private construction contracts was already lifted as early as 1998. Thus, the provision requiring foreigners to obtain a special license has been declared null and void, along with the provision limiting the regular license to construction firms at least 60% of which is owned by Filipinos.

It is to be noted, however, that as of date, the PCAB has not made any issuance implementing the Supreme Court's decision in *Philippine Contractors Accreditation Board v. Manila Water Co., Inc*. Additionally, according to the Frequently Asked Questions in PCAB's webpage, PCAB still issues a Regular License and a Special License, and a Regular License is "issued to a domestic construction firm (a sole proprietorship/partnership/corporation) with at least 60% Filipino equity".

Referral to Arbitration

Executive Order No. 1008 vests the Construction Industry Arbitration Commission ("CIAC") with original and exclusive jurisdiction over disputes arising from, or connected with, contracts entered into by parties involved in construction in the Philippines, whether the dispute arises before or after the completion of the contract, or after the abandonment or breach thereof. These disputes may involve government or private contracts. The jurisdiction of the CIAC may include, but is not limited to, violation of specifications for materials and workmanship, violation of the terms of agreement interpretation and/or application of contractual time and delays, maintenance and defects, payment, default of employer or contractor, and changes in contract cost.

CIAC may acquire jurisdiction in two ways, either by providing an arbitration clause in the contract between the parties, or by agreement of the parties to submit the dispute to the CIAC. Thus, the fact that the parties incorporated an arbitration clause in their contract is sufficient to vest the CIAC with jurisdiction over any construction controversy, notwithstanding any reference made to another arbitral body. CIAC's jurisdiction over construction disputes is conferred by law, and thus, cannot be waived by mere agreement of the parties.

Under the 2023 CIAC Rules of Procedure, a CIAC final arbitral award becomes executory upon the lapse of 15 days from receipt thereof by the parties. If recourse is taken against a final award and a TRO or a writ of preliminary injunction is issued either by the Supreme Court or by the Court of Appeals, such arbitral award shall become executory only upon the issuance of the entry of judgment, or upon the lapse/lifting of the TRO or the dissolution of the preliminary injunction.

Liability of Engineers, Architects, and Contractors

Under Republic Act No. 386 or the Civil Code of the Philippines, as amended, the engineer or architect who drew up the plans and specifications for a building is liable for damages if, within 15 years from the completion of the structure, the same should collapse by reason of a defect in those plans and specifications, or due to defects in the ground. The contractor is likewise responsible for the damages if the edifice falls, within the same period, on account of construction defects or the use of materials of inferior quality, or due to any violation of the terms of the construction contract. If the engineer or architect supervises the construction, he/she shall be solidarily liable with the contractor. The acceptance of the building after completion does not imply waiver of any of the causes of action by reason of any of the aforementioned defects. The action arising therefrom must be brought within 10 years following the collapse of the building.

Tax Incentives

Republic Act No. 11534, or the Corporate Recovery and Tax Incentives for Enterprise Act ("CREATE Act"), amended the corporate income tax and incentive laws, such as the Omnibus Investment Code of 1987 (Executive Order No. 66) and Special Economic Zone Act of 1995 (Republic Act No. 7916, as amended), and codified the incentives system under a new Title XIII: Tax Incentives in the Tax Code.

The Fiscal Incentives Review Board ("FIRB") is the government agency that exercises policymaking and oversight functions over investment promotion agencies ("IPAs") such as the Board of Investments ("BOI") and the Philippine Economic Zone Authority ("PEZA"). Under a delegated authority from the FIRB, IPAs have the power to grant incentives where the investment capital for a project equals ₱15 billion or below. All incentive applications for projects with investment capital exceeding ₱15 billion remain within the jurisdiction of the FIRB.

Only registered business enterprises engaged in projects or activities specified in the Strategic Investment Priority Plan ("SIPP"), the national development plan formulated by the BOI in coordination with the FIRB and the IPAs, may enjoy incentives to the extent of their approved registered project or activity under the SIPP. Generally, these incentives include the grant of Income Tax Holiday ("ITH"), Special Corporate Income Tax ("SCIT") rate, enhanced deductions ("ED"), duty exemption on importation of capital equipment, raw materials, spare parts, or accessories, and value-added tax exemption on importation and value-added tax zero-rating on local purchases.

The available incentives depend on the industry tier and geographic location of the registered activity and whether the production/output is for export or the domestic market. The incentives available to an export enterprise include (a) an ITH for a minimum of 4 years and a maximum of seven 7 years; (b) VAT and duty exemption on the importation of capital equipment, raw materials, spare parts, and accessories directly and exclusively used in the registered project or activity for 17 years from the date of registration with the IPA; and (c) VAT zero-rating on local purchases of goods and services directly and exclusively used in the registered project or activity, also for 17 years from the date of registration with the IPA. After the lapse of the ITH, and for a period of 10 years thereafter, an export enterprise may avail itself of SCIT of 5% on gross income earned in lieu of all national and local taxes, or ED for items such as additional depreciation, labor expenses, R&D expenses, training expenses, power expenses, and the carrying over of net operating losses. A domestic market enterprise is entitled to the same ITH incentive as an export enterprise but is entitled to duty exemption for only 12 years from the date of registration with the IPA, 5 years of ED after the lapse of the ITH, but no entitlement to the VAT incentive, and no option to avail of the SCIT.

In addition to the incentives above, projects or activities of registered enterprises located in areas recovering from an armed conflict or a major disaster, as determined by the Office of the President, shall be entitled to two additional years of ITH. The period of availment of the foregoing incentives shall commence from the actual start of commercial operations with the registered business enterprise availing of the tax incentives within three years from the date of registration, unless otherwise provided in the SIPP and its corresponding guidelines.

Special Economic Zone

A special economic zone or ecozone is a comprehensive land use plan generally created by proclamation of the President of the Philippines. These 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.

The PEZA is the government agency that operates, administers, and manages designated special economic zones. It is tasked to promote investments, extend assistance, register, grant incentives to, and facilitate the business operations of investors in export-oriented manufacturing and service facilities inside PEZA special economic zones. The Special Economic Zone Act of 1995, as amended by the CREATE Act, provides for the legal framework and mechanisms for the creation, operation, administration, and coordination of special economic zones in the Philippines.

PEZA-registered enterprises located in an ecozone are entitled to fiscal and non-fiscal incentives such as ITH, SCIT, ED, duty-free importation of equipment, machinery, and raw materials, and VAT zero-rating as discussed above.

Enterprises offering IT services (such as call centers and other Business Process Outsourcing firms using electronic commerce) located in a PEZA-registered IT Park, IT Building, or Ecozone, are entitled to fiscal and non-fiscal incentives as provided under the CREATE Act. An IT Park is an area that has been developed into a complex capable of providing infrastructure and support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities, and amenities.

PEZA requirements for the registration of an IT Park or IT Building vary depending on whether it is located within or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

Enterprises registered with IPAs and enjoying incentives prior to the effectivity of the CREATE Act are allowed to continue availing their incentive subject to the following sunset provisions:

a. Those enjoying the ITH are allowed to continue with the availment of the ITH for the remaining period of the ITH as specified in the terms and conditions of their registration;
b. Those granted ITH but have not yet availed of the incentive may use the ITH for the period as specified in the terms and conditions of their registration;
c. Those granted ITH and are entitled to the 5% tax on gross income earned incentive after the ITH shall be allowed to avail of the 5% tax on gross income provided the 5% tax shall be allowed for only 10 years; and
d. Those availing of the 5% tax on gross income earned shall be allowed to continue availing the tax incentive at the rate of 5% for 10 years.

Anti-Money Laundering Act and its Amendments

Republic Act No. 9160, or the Anti-Money Laundering Act of 2001 (as amended, "AMLA"), criminalizes, among other acts, the act of making the proceeds or money from an unlawful activity appear to have originated from legitimate sources. To monitor or detect these transactions, covered institutions or persons are required to report (a) transactions that meet a minimum threshold amount; and (b) transactions considered suspicious, regardless of whether such meet the minimum threshold amount, to the Anti-Money Laundering Council ("AMLC").

In 2013, the AMLA was amended by Republic Act No. 10365 to consider the failure to report covered or suspicious transactions a money laundering offense. The AMLA was further amended in 2021 by Republic Act No. 11521, which took effect on January 30, 2021, making real estate developers ("REDs") and real estate brokers ("REBs"), among others, as covered persons. Thus, REDs and REBs are now required to report covered and suspicious transactions to the AMLC.

For REBs and REDs, covered transaction refers to a single cash transaction involving an amount in excess of ₱7,500,000.00 or its equivalent in any other currency.

While suspicious transactions are those: (i) with no underlying legal or trade obligation, purpose, or economic justification; (ii) client is not properly identified; (iii) the amount involved is not commensurate to the client's financial capacity; (iv) perceived to be structured to avoid being reported or are related to any unlawful activity; (v) involves any circumstance that deviates from the client's profile or past transactions with covered persons; and (vi) any transaction that is similar or analogous to any of the foregoing.

Under Section 42 of AMLC Regulatory Issuance (B) No. 1 Series of 2018, all covered and suspicious transactions must be reported to the AMLC within five days from occurrence. For suspicious transactions, "occurrence" is the date of determination of the suspicious nature of the transaction, which shall be made not more than 10 days from date of transaction.

To enable covered persons to file reports, Sec. 4, Rule 22 of the 2018 Implementing Rules and Regulations ("2018 AMLA IRR") provides that all covered persons shall register with the AMLC's electronic reporting system in accordance with the registration and reporting guidelines. Registration with the AMLC is online and free.

The 2018 AMLA IRR further provides that for existing covered persons who were not yet registered shall not be cited for non-registration, provided that they shall apply for registration 30 working days from effectivity of the 2018 AMLA IRR. Newly covered persons shall apply for registration within 30 working days from the issuance of license by their respective government agencies. REDs and REBs must have registered with the AMLC by March 16, 2021.

Non-registration is an administrative offense penalized under the Rules of Procedure on Administrative Cases. Failure to register would mean failure to electronically file covered and suspicious transaction reports with the AMLC, which is a money laundering offense per Sec. 4 of the AMLA, as amended.

Company Policies on Anti-Money Laundering and Countering the Financing of Terrorism

AMLC Regulatory Issuance No. 03, series of 2021 or the 2021 Anti-Money Laundering / Counter- Terrorism Financing Guidelines for Designated Non-Financial Businesses and Professions provides that REDs and REBs must apply the following principles in their businesses: (a) conformity with high ethical standards and observance of good corporate governance; (b) know sufficiently their customers and clients; (c) adopt and effectively implement an appropriate Anti-Money Laundering and/or Countering the Financing of Terrorism risk management system; (d) comply fully with existing Anti- Money Laundering and Terrorist Financing laws and regulations; and (e) full cooperation with the AMLC.

The following are also required: (a) designation of Compliance Officer and/or Office; (b) implementation of a money laundering and terrorism financing prevention program; (c) establishment of an internal controls and internal audit program; (d) adoption of a policy on customer due diligence; (e) adoption of a monitoring and reporting system; (f) keeping of records of customers' transactions and documents during customer due diligence for five years; (g) creation of a relevant employee training program on anti-money laundering and countering terrorist financing; (h) adoption of written procedures for cooperating and complying with investigations, assessments, directives and orders of the AMLC, appropriate government agencies and the courts; and (i) identification and assessment of money laundering/ terrorist financing risks that may arise in relation to the development of new products and business practices.

Philippine Competition Act

Republic Act No. 10667, or the Philippine Competition Act ("PCA"), is the primary competition policy of the Philippines. It aims to enhance economic efficiency and promote free and fair competition in trade, industry, and all commercial economic activities.

The PCA prohibits and imposes sanctions on:

1. Anti-competitive agreements between or among competitors, which restrict competition as to price or other terms of trade, and those fixing price at an auction or in any form of bidding, including cover bidding, bid suppression, bid rotation and market allocation, and other analogous practices of bid manipulation; and those which have the object or effect of substantially preventing, restricting, or lessening competition;

2. Practices which are regarded as abuse of dominant position, by engaging in conduct that would substantially prevent, restrict, or lessen competition; and

3. Merger or acquisitions which substantially prevent, restrict, or lessen competition in the relevant market or in the market for goods or services.

The PCA, as amended, provides for mandatory notification to the Philippine Competition Commission ("PCC") where the value of such transaction exceeds ₱2,900,000,000.00, and where the size of the ultimate parent entity of either party exceeds ₱7,000,000,000.00 ("Size of Party"). Notification is also mandatory for JV transactions if either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed JV exceeds ₱2,900,000,000.00; or (b) the gross revenues generated in the Philippines by the assets to be combined in the Philippines or contributed into the proposed JV exceed ₱2,900,000,000.00. Pursuant to PCC Resolution No. 01-2024, starting March 1, 2024, mergers and acquisitions that exceed a size of party of ₱7,800,000,000.00 and the value of transaction exceeds ₱3,200,000,000.00. The revised thresholds shall also apply to JV transactions.

The PCC may conduct investigation of any merger that it has reasonable grounds to believe is likely to substantially prevent, restrict, or lessen competition in the market. There may be reasonable grounds to believe that a merger is likely to or has substantially prevent, restrict, or lessen competition in the market where there are preliminary indications that customers may be adversely affected, there are possibilities for foreclosure, a high degree of market concentration exists, either of the merger parties has high market shares, the merger takes place in a critical industry, among others.

Pursuant to the PCA, the DHSUD issued Department Circular No. 2023-015 on November 24, 2023, adopting the National Competition Policy in the regulation of subdivision and condominium projects and homeowners and homeowners' association. The said Circular provides that the DHSUD and all its bureaus and services concerned shall ensure the enactment and implementation of specific policies and measures that: (i) prohibit or restrict practices that hamper or impede competition; and (ii) promote entry, operation and growth of businesses to increase number of players and level their playing fields for equal opportunities to encourage job creation and inclusive economic growth.

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 EXCHANGE

The PSE is the only stock exchange in the Philippines. It is one of the oldest stock exchanges in Asia, having been in continuous operation since the establishment of the Manila Stock Exchange in 1927. The PSE previously maintained two trading floors, one in Makati City and the other in Pasig City, which were linked by an automated trading system that integrated all bid and ask quotations from the bourses. In February 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City. The PSE Tower houses the PSE corporate offices and a single, unified trading floor.

BRIEF HISTORY

The Philippines initially had two 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-regulatory, 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 bourses into the PSE. The PSE was incorporated on July 24, 1992 as a non-stock corporation by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two 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 Philippine SEC granted the PSE "Self-Regulatory Organization" status, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On August 8, 2001, the PSE completed its demutualization and converted from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC.

Each of the 184 member-brokers was granted 50,000 shares of the new PSE at a par value of ₱1 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 brokers and eight non-brokers, one of whom is the President.

On December 15, 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 Philippine securities industry.

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 Board. On April 13, 2013, the PSE issued Rules on Exchange Traded Funds ("**ETF**") 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. With the issuance by the PSE of its 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 incorporation of the Issuer. Each index represents the numerical average of the prices of component stocks.

The PSE has an index, referred to as the PSEi (previously "**PHISIX**"), which, as of the date thereof, reflects the price movements of selected stocks listed on the PSE, based on traded prices of stocks from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective as of 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 30 selected stocks listed on the PSE. In July 2010, the PSE's new trading system, now known as PSE Trade, was launched. In June 2015, the PSE Trade system was replaced by PSE Trade XTS.

The PSE launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of ten guidelines embodying principles of good business practice and is based on internationally recognized corporate governance codes and best practices.

With the increasing calls for good corporate governance and the need to consistently provide full, fair, accurate and timely information, the PSE has adopted an online daily disclosure system to improve the transparency of listed companies and enhance access to such reports by the investing public. In December 2013, the PSE replaced its online disclosure System ("**OdiSy**") with a new disclosure system, the PSE EDGE, which was acquired from the Korea Exchange and is a fully automated system, equipped with a variety of features to (i) further standardize the disclosure reporting process of listed companies on the PSE, (ii) improve investors' disclosure searching and viewing experience and (iii) enhance overall issuer transparency in the market.

In January 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City, which currently houses the unified trading floors in Makati City and Pasig City. On March 22, 2018, the PSE completed a stock rights offering of 11,500,000 common shares which were offered at the price of ₱252.00 per share, or a total of ₱2,898,000,000. The proceeds of the stock rights offering will be used to fund the acquisition of PDS and capital expenditure requirements of the PSE. As of the date of this Prospectus, the PSE has an authorized capital stock of ₱120 million, of which 85,025,692 shares are issued. Out of this total, 84,925,686 shares are outstanding, and 100,006 are treasury shares.

The table below indicates 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	Combined Value of Turnover
			(in ₱ billions)	(in ₱ billions)
2005	2,096.0	237	5,948.4	383.5
2006	2,982.5	239	7,173.2	572.6
2007	3,621.6	244	7,977.6	1,338.3
2008	1,872.9	246	4,069.2	763.9
2009	3,052.7	248	6,029.1	994.2
2010	4,201.1	253	8,866.1	1,207.4
2011	4,372.0	245	8,697.0	1,422.6
2012	5,812.7	254	10,952.7	1,771.7
2013	5,889.8	257	11,931.3	2,546.2
2014	7,230.6	263	14,251.7	2,130.1
2015	6,952.1	265	13,465.2	2,151.4
2016	7,629.7	268	14,438.8	1,929.5
2017	8,558.4	267	17,583.1	1,960.0
2018	7,466.0	267	16,150.0	1,740.0
2019	7,815.3	271	16,710.0	1,770.0
2020	7,139.7	271	15,890.0	1,770.0
2021	7,122.6	276	18,081.1	2,233.1
2022	6,566.4	288	16,560.0	1,790.0

Source: PSE and PSE Annual Reports.

TRADING

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid 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. Transactions are generally invoiced through a confirmation slip sent to customers on the trade date (or the following trading day). Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 noon for the morning session, and resumes at 1:00 p.m. and ends at 3:00 p.m. for the afternoon session, with a ten-minute extension during which transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal and special holidays and days when the BSP clearing house is closed and such other days as may be declared by the Philippine SEC or the PSE, to be a non-trading day.

Minimum trading lots range from five to 1,000,000 shares depending on the price range and nature of the security traded. The minimum trading lot for our Common Shares is 10 shares. 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, whenever an order will result in a breach of the trading threshold of a security within a trading day, the trading of that security will be frozen. Orders cannot be posted, modified or cancelled for a security that is frozen. In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

(a) in the event the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price). Otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60% static threshold will be rejected by the PSE;

(b) in the event the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly-listed securities, 15% for security cluster B and 10% for security cluster C). Otherwise, such order will be rejected by the PSE.

NON-RESIDENT TRANSACTIONS

When the purchase or sale of Philippine shares 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. SCCP received its permanent license to operate on January 17, 2002. It is responsible for: (a) synchronizing the settlement of funds and the transfer of securities through delivery versus payment, as well as clearing and settlement of transactions of clearing members, who are also PSE trading participants; (b) guaranteeing the settlement of trades in the event of a PSE 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.

SCCP settles PSE trades on a three-day rolling settlement environment, which means that settlement of trades takes place two days after transaction date (T+2). The deadline for settlement of trades is 12:00 noon of T+2. Securities sold should be in scripless form and lodged under the book entry system of the PDTC. Each PSE Trading Participant maintains a Cash Settlement Account with one of the nine existing Settlement Banks of SCCP which are BDO Unibank, Inc. ("**BDO Unibank**"), Rizal Commercial Banking Corporation ("**RCBC**"), Metropolitan Bank & Trust Company ("**Metrobank**"), Deutsche Bank ("**DB**"), Union Bank of the Philippines ("**Unionbank**"), The Honking and Shanghai Banking Corporation Limited ("**HSBC**"), Maybank Philippines, Inc. ("**Maybank**"), Asia United Bank Corporation ("**AUB**"), and China Banking Corporation ("**Chinabank**"). 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 Central Clearing and Central Settlement ("**CCCS**") system on May 29, 2006. CCCS 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 contracts 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 PDTC, was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the Philippine SEC to act as a central securities depository.

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 lodgment (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, BDO Unibank, RCBC, Metrobank, DB, Unionbank, HSBC, Maybank, AUB, and Chinabank.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favor of 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 into the PDTC. "Immobilization" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares to PCD Nominee will be recorded in the Issuer's registry. This trust arrangement between the participants and PDTC through 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 lodgments, 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 and/or participant custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must execute 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 (T+2) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the CCCS system, in accordance with the SCCP and 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 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 Procedure 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 generally on the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of the shares in the issuing corporations’ books. In the depository set-up, shares are simply immobilized, wherein customers’ certificates are cancelled and a confirmation advice is issued in the name of PCD Nominee Corp. Transfers among/between broker and/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 PCD nominee’s 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 agents’ 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 from the broker its current “de facto” custodianship role.

AMENDED RULE ON LODGMENT OF SECURITIES

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the Philippine SEC, without any jumbo or mother certificate, in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, 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 PSE’s Revised Listing Rules.

On May 21, 2010, the PSE apprised all listed companies and market participants through Memorandum No. 2010-0246 that the Amended Rule on Lodgement of Securities under Section 17 of Article III, Part A of the Revised Listing Rules of the PSE shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the PSE.

For listing applications, the amended rule on lodgment of securities is applicable to:

(a) the offer shares/securities of the applicant company in the case of an initial public offering;

(b) the shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Philippine SEC in the case of a listing by way of introduction;

(c) new securities to be offered and applied for listing by an existing listed company;

(d) and additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof, to wit:

(a) for a new company to be listed at the PSE as of July 1, 2009, the usual procedure will be observed but the transfer agent of the company shall no longer issue a certificate to PCD Nominee 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;

(b) on the other hand, for existing listed companies, the PDTC shall wait for the advice of the Transfer Agents 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 Agents 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 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 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 the 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 the PCD Nominee.

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.

AMENDED RULE ON MINIMUM PUBLIC OWNERSHIP

Under the PSE Amended Rule on Minimum Public Ownership, listed companies are required, at all times, to maintain a minimum percentage of listed securities held by the public of 10.0% of the listed companies' total issued and outstanding shares (i.e., exclusive of treasury shares), or at such percentage that may be prescribed by the PSE. For purposes of determining compliance with the Rule on Minimum Public Ownership ("**MPO**"), shares held by the following are generally considered "held by the public": (a) individuals (for as long as the shares held are not of a significant size (i.e., less than 10.0%)) and are non-strategic in nature; (b) trading participants (for as long as the shares held are nonstrategic in nature); (c) investment and mutual funds; (d) pension funds; (e) PCD nominees if this account constitutes a number of shareholders, none of which has significant holdings (provided that if an owner of shares under the PCD Nominee has a shareholding that is 10% or more of the total issued and outstanding shares, then this shareholder is considered a principal stockholder); and (f) social security funds.

Listed companies that become non-compliant with the MPO on or after January 1, 2013 will be suspended from trading for a period of not more than six months and will automatically be delisted if it remains non-compliant with the MPO after the lapse of the suspension period. Suspended or delisted shares will not be traded on the exchange. In addition, sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subjected to capital gains tax and documentary stamp tax.

In accordance with the SEC Memorandum Circular No. 13 Series of 2017 issued on December 1, 2017, the MPO requirement on companies that undertake initial public offerings was increased from 10.0% to 20.0%, while existing publicly listed companies as of December 2017 remain to be subject to the 10.0% MPO. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% or 20%, as applicable, of the listed companies' issued and outstanding shares, exclusive of any treasury shares.

The Philippine SEC is also looking at increasing the MPO requirement of existing listed companies to 25.0% for all listed companies; however, such proposed rules on increasing the MPO have yet to be adopted.

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Appendix