THESE SECURITIES MAY NOT BE SOLD NOR OFFERS TO BUY THE SAME BE ACCEPTED UNTIL A PERMIT TO SELL SECURITIES HAS BEEN ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION. THIS PRELIMINARY OFFER SUPPLEMENT IS SUBJECT TO CHANGE/COMLETION AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY.

PRELIMINARY OFFER SUPPLEMENT

ARTHALAND
BUILDING SUSTAINABLE LEGACIES

Shelf Registration in the Philippines of
₱6,000,000,000 ASEAN Green Bond Program

Second Tranche of the ASEAN Green Bond Program:
Offer of [up to] ₱3,000,000,000

5-Year Fixed Rate ASEAN Green Bonds with an Interest Rate of [•]% *per annum* due 2027
7-Year Fixed Rate ASEAN Green Bonds with an Interest Rate of [•]% *per annum* due 2029

To be listed and traded on the Philippine Dealing & Exchange Corp.

Sole Issue Manager

BDO Capital & Investment Corporation

Joint Lead Underwriters and Joint Bookrunners[1]

BDO Capital & Investment Corporation

PNB Capital

A REGISTRATION STATEMENT RELATING TO THE SHELF REGISTRATION OF FIXED RATE ASEAN GREEN BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF ₱6.0 BILLION WAS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND WAS RENDERED EFFECTIVE ON 21 JANUARY 2020. OF SUCH AMOUNT, ₱3.0 BILLION WAS ISSUED ON 06 FEBRUARY 2020. THE REGISTRATION STATEMENT CAN BE ACCESSED THROUGH THE FOLLOWING LINK: https://www.arthaland.com/investor-relations/green-bond. UPDATES TO THE PROSPECTUS SUBMITTED WITH SUCH REGISTRATION STATEMENT ARE COVERED BY THIS OFFER SUPPLEMENT.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS OFFER SUPPLEMENT 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 Offer Supplement is dated [14 October 2022].

1 BDO Capital & Investment Corporation, one of the Joint Lead Underwriters and Joint Bookrunners, is a subsidiary of BDO Unibank, Inc., which is the lender for a loan which the Issuer intends to repay using a portion of the proceeds of the Offer, as further discussed in the *"Use of Proceeds"* section of this Offer Supplement.

ARTHALAND CORPORATION
7th Floor Arthaland Century Pacific Tower
5th Avenue Corner 30th Street
Bonifacio Global City, Taguig City
Telephone: (+632) 8403 6910
http://www.arthaland.com

ARTHALAND CORPORATION is a world-class boutique real estate developer of enduring and sustainable properties. It has built its mark in the Philippine real estate market by giving its commitment to sustainability and innovation, and by developing and managing properties that adhere to the global and national standards in green buildings.

Arthaland Corporation ("**ALCO**", or the "**Company**", or the "**Issuer**"; as the context may require, each of such term includes its subsidiaries) prepared a prospectus dated 21 January 2020 (the "**Prospectus**") relating to the shelf-registration of debt securities in an aggregate principal amount of ₱6.0 billion ("**ASEAN Green Bond Program**", and the bonds, the "**Bonds**"), in accordance with the Securities Regulation Code and its implementing regulations, and applicable rules and regulations of the Securities and Exchange Commission ("**SEC**"), including SEC Memorandum Circular No. 12, Series of 2018 or "*Guidelines on the Issuance of Green Bonds under the ASEAN Green Bonds Standards in the Philippines*" (the "**SEC Guidelines on ASEAN Green Bonds**"), to be issued in one or more tranches (each a "**Tranche**") for a period of three (3) years from the effectivity of the registration statement. The registration statement filed by the Company covering its ASEAN Green Bond Program was rendered effective by the SEC by its order dated 21 January 2020. The SEC likewise issued a Certificate of Permit to Offer Securities for Sale dated 21 January 2020 for first Tranche of bonds in the aggregate principal amount of ₱2.0 billion, with an oversubscription option of ₱1.0 billion. Hence, the first Tranche of the Bonds under the Company's ASEAN Green Bond Program had an aggregate principal amount of ₱3.0 billion and were issued on 6 February 2020.

This Offer Supplement relates to the offering and sale of the second and last tranche of fixed rate Bonds under the Company's ASEAN Green Bond Program in an aggregate principal amount of [up to] ₱3.0 billion (the "**Second Tranche of the ASEAN Green Bonds Program"** or the "**ASEAN Green Bonds**"), to be issued in two tenors or series. This Offer Supplement contains the updates to the Prospectus dated 21 January 2020. Please refer to the section on "*Definition of Terms*" of page [•] this Offer Supplement for the definitions of capitalized terms used in this section and other sections, unless such terms are defined elsewhere.

The ASEAN Green Bonds shall be issued on [16 December], 2022, or the immediately succeeding Banking Day if such date is not a Banking Day, or such other date as may be agreed upon by the Issuer and the Joint Lead Underwriters and Joint Bookrunners with advice to the relevant entities (the "**Issue Date**"). A portion of the ASEAN Green Bonds shall have a term of five (5) years from the Issue Date with a fixed interest rate of [•]% *per annum* (the "**5-Year ASEAN Green Bonds**"), while the remaining portion of the ASEAN Green Bonds shall have a term of seven (7) years from the Issue Date with a fixed interest rate [•]% *per annum* (the "**7-Year ASEAN Green Bonds**"). [Prior to the Offer Period, the Issuer may, in consultation with the Joint Lead Underwriters and Joint Bookrunners, decide that the ASEAN Green Bonds shall be issued with one tenor or series only (instead of two tenors or series), and this Offer Supplement will be amended accordingly to reflect such decision.]

Interest on the ASEAN Green Bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrears commencing on [16 March] 2023 as the first Interest Payment Date, and thereafter, every [16 June], [16 September], [16 December], and [16 March] of each year as the subsequent Interest Payment Dates while the relevant series of the ASEAN Green Bonds are outstanding. In the event that that any Interest Payment Date is not a Banking Day, such Interest Payment Date shall be paid on the immediately succeeding Banking Day without any adjustment to the amount due. The last Interest Payment Date shall fall on the relevant Maturity Date, or the immediately succeeding Banking Day if such day is not a Banking Day, without any adjustment to the amount due, provided that if the Issue Date is set at a date other than [16 December 2022], then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date.

Subject to the consequences of default as may be contained in the Trust Agreement, and unless otherwise redeemed or purchased prior to the relevant Maturity Date, the ASEAN Green Bonds will be redeemed at par or 100% of the face value thereof on the relevant Maturity Date. For a more detailed discussion on the terms and conditions of the ASEAN Green Bonds (including the redemption of the ASEAN Green Bonds), please refer to the discussion under the section "*Description of the ASEAN Green Bonds*" of this Offer Supplement.

The ASEAN Green Bonds shall be issued in minimum denominations of ₱50,000.00 each, and in integral multiples of ₱10,000.00 thereafter. The ASEAN Green Bonds shall be traded in denominations of ₱10,000.00 in the secondary market.

Upon issuance, the ASEAN Green Bonds shall constitute the direct, unconditional, and unsecured obligations of ALCO and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured obligations of ALCO, other than obligations preferred by law. The ASEAN Green Bonds shall effectively be subordinated in right of payment to, among others, all of ALCO's secured debts to the extent of the value of the assets securing such debt and all of its debts that are evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines without a waiver of preference or priority.

The Company intends to cause the listing of the ASEAN Green Bonds on the Philippine Dealing & Exchange Corporation ("**PDEx**"). However, there can be no assurance that such a listing will actually be achieved either before or after the Issue Date or whether such a listing will materially affect the liquidity of the ASEAN Green Bonds on the secondary market. Such listing will be subject to the Company's execution of a listing agreement with PDEx that may require the Company to make certain disclosures, undertakings and payments on an ongoing basis.

It is expected that the ASEAN Green Bonds will be delivered in book-entry form against payment thereof to the Philippine Depository & Trust Corp. ("**PDTC**"), which [will be / has been] appointed as the Registrar of the ASEAN Green Bonds. It is intended that upon issuance, the ASEAN Green Bonds shall be issued in scripless form, with PDTC maintaining the scripless Registry of Bondholders.

The ASEAN Green Bonds have been assigned an issue credit rating of PRS Aa with a Stable Outlook from the Philippine Rating Services Corporation ("**PhilRatings**"). PhilRatings has maintained the issue credit rating of PRS Aa, with a Stable Outlook, for the Company's first tranche of the Bonds amounting to ₱3.0 billion. Obligations rated **PRS Aa** are of high quality and are subject to very low credit risk. The obligor's capacity to meet its financial commitment on the obligation is very strong. On the other hand, an Outlook is an indication as to the possible direction of any rating change within a one-year period and serves as further refinement of the assigned credit rating for the guidance of investors, regulators, and the general public. A **Stable Outlook** is assigned when a rating is likely to be maintained or to remain unchanged in the next twelve (12) months. The ratings and Outlook were assigned given the following key considerations: (1) highly recognized and has a good reputation in developing premium green certified buildings in the Philippines; (2) ability to grow and compete in its chosen niche, despite the presence of larger, more established competitors; (3) relatively manageable liquidity position in relation to debt servicing; (4) healthy margins and sustained profitability; and (5) economic recovery and gradual pick up of the property sector.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, or withdrawal at any time by PhilRatings. The rating is subject to regular annual reviews, or more frequently as market developments may dictate, while the ASEAN Green Bonds are outstanding.

The Company expects to raise gross proceeds of [up to] ₱3.0 billion. The Company estimates that the net proceeds from the Offer shall amount to, after fees, commissions and expenses, approximately ₱2.9 billion for a ₱3.0 billion issue size. The net proceeds of the Offer shall be used primarily: (1) to fund the additional investment by ALCO into Zileya to develop the Makati CBD Residential Project 1; (2) to fund the required investment from ALCO into project companies that will acquire and develop the property for the Makati CBD Residential Project 3, Project JL and Project Midtown and (3) to partially fund scheduled repayments of the loan that financed the construction and development of ACPT, all of which qualify as Eligible Green Projects under ALCO's Green Finance Framework. For a more detailed discussion on the use of proceeds, please see section on "*Use of Proceeds*" of this Offer Supplement.

BDO Capital & Investment Corporation ("**BDO Capital**") has been appointed as the Sole Issue Manager, while BDO Capital and PNB Capital and investment Corporation ("**PNB Capital**") have been appointed as the Joint Lead Underwriters and Joint Bookrunners for the Offer (the "**Joint Lead Underwriters**"). The underwriting fees and any selling fees to be paid by the Company in relation to the Offer shall be equivalent to 0.45% of the gross proceeds of the Offer. This shall be inclusive of underwriting fees to be paid to BDO Capital and PNB Capital as the Joint Lead Underwriters, which is inclusive of the fee to be ceded to any co-lead managers [and/or selling agents] that may be appointed in connection with the Offer and in accordance with the terms of the Underwriting Agreement [to be] executed by and between the Company and the Joint Lead Underwriters.

The Company reserves the right to withdraw any offer and sale of the ASEAN Green Bonds at any time, and the Joint Lead Underwriters for the Offer reserve the right to reject any application to purchase the ASEAN Green Bonds in whole or in part and to allot to any prospective purchaser less than the full amount of the ASEAN Green Bonds sought by such purchaser. If an offer of the ASEAN Green Bonds is withdrawn or discontinued, the Company shall subsequently notify the SEC and, as applicable, the PDEx. The Joint Lead Underwriters may acquire for their own account a portion of the ASEAN Green Bonds.

No dealer, salesman or any other person has been authorized to give any information or to make any representation not contained in this Offer Supplement. If given or made, any such information or representation must not be relied upon as having been authorized by the Company or any of the Joint Lead Underwriters that may be engaged by the Company for each tranche of the ASEAN Green Bonds.

The distribution of this Offer Supplement and the offer and sale of the ASEAN Green Bonds may, in certain jurisdictions, be restricted by law. The Company and the Joint Lead Underwriters require persons into whose possession this Offer Supplement 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 Offer Supplement 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.

This Offer Supplement is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by either the Company, the Joint Lead Underwriters or their respective affiliates or legal advisers that any recipient of this Offer Supplement should purchase the ASEAN Green Bonds. Moreover, the contents of this Offer Supplement are not to be considered as legal, business or tax advice. Each person contemplating an investment in the ASEAN Green Bonds should make its/his/her own investigation and analysis of the creditworthiness of the Company (including, for the avoidance of doubt, its subsidiaries) and its/his/her own determination of the suitability of any such investment. Each prospective purchaser should consult its/his/her own counsels, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the ASEAN Green Bonds. Each prospective purchaser of the ASEAN Green Bonds receiving a copy of this Offer Supplement acknowledges that it/he/she has not relied on the Joint Lead Underwriters in its/his/her investigation of the accuracy of such information or in his investment decision.

Investing in the ASEAN Green Bonds involves certain risks. The risk disclosure in this Offer Supplement does not purport to disclose all the risks and other significant aspects of investing in the ASEAN Green Bonds. A person contemplating an investment in the ASEAN Green Bonds 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. For a discussion of certain factors to be considered in respect of an investment in the ASEAN Green Bonds, please see the section on "*Risk Factors*" starting on page [•].

ALCO and its subsidiaries are allowed under Philippines to declare dividends, subject to certain requirements. ALCO has not adopted a specific dividend policy for its common shares. Dividends may be declared at the discretion of the Board 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 its subsidiaries, foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations and other factors the Board of Directors 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, 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.

This Offer Supplement contains the terms of the ASEAN Green Bonds. Full information on the Company and this Offer are only available on the basis of the combination of this Offer Supplement, the Bond Agreements, and the Application to Purchase. All disclosures, reports, and filings of the Company and submitted to the SEC, PSE, and the PDEx pursuant to the Revised Corporation Code, the Securities Regulation Code, and the Revised Disclosure Rules of the PSE and the Disclosure Rules of the PDEx (the "**Company Disclosures**") are deemed incorporated by reference in this Offer Supplement. Investors should review all information contained in this Offer Supplement, the Bond Agreements, the Application to Purchase, and the Company Disclosures.

ALCO confirms that this Offer Supplement contains all information relating to the Company, its subsidiaries and affiliates which are, in the context of the issue and offering of the ASEAN Green Bonds, material (including all information required by the applicable laws of the Republic of the Philippines). There are no other facts that the omission of which would make any statement in this Offer Supplement misleading in any material respect. ALCO confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into this Offer Supplement. ALCO, however, has not independently "verified" any such publicly available information, data or analysis.

Neither the delivery of this Offer Supplement nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in this Offer Supplement are accurate as of any time subsequent to the date hereof. The Joint Lead Underwriters and Joint Bookrunners have exercised the diligence required by regulations in ascertaining that all material representations contained in this Offer Supplement are true and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading.

All information in this Offer Supplement is as of the date hereof, unless otherwise indicated. Neither the delivery of this Offer Supplement nor any sale made pursuant to this Offer Supplement 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 Issuer and its subsidiaries since such date.

ALCO is organized under the laws of the Republic of the Philippines. Its principal office is at the 5th Avenue, corner 30thSt, Taguig, 1634 Metro Manila with telephone number (632) 8403 6910.

A REGISTRATION STATEMENT RELATING TO SHELF REGISTRATION OF FIXED RATE ASEAN GREEN BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF ₱6.0 BILLION WAS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND WAS RENDERED EFFECTIVE ON 21 JANUARY 2020. OF SUCH AMOUNT, ₱3.0 BILLION WAS ISSUED ON 06 FEBRUARY 2020. THE REGISTRATION STATEMENT CAN BE ACCESSED THROUGH THE FOLLOWING LINK: https://www.arthaland.com/investor-relations/green-bond. UPDATES TO THE PROSPECTUS SUBMITTED WITH SUCH REGISTRATION STATEMENT ARE COVERED BY THIS OFFER SUPPLEMENT.

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[Signature page follows.]

ARTHALAND CORPORATION

By:

JAIME C. GONZALEZ
President

SUBSCRIBED AND SWORN to before me this [•], 2022 in [•], affiant exhibiting to me his Passport No. [•] expiring on [•] as competent evidence of identity.

Doc No.
Page No.
Book No.
Series of 2022.

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Forward-looking Statements

This Offer Supplement 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 estimated of its future operational performance and results, including performance or achievements expressed or implied by forward-looking statements; 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 of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- the 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;
- ALCO'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 ALCO'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 the section on "*Risk Factors*" and elsewhere in this Offer Supplement.

These forward-looking statements speak only as of the date of this Offer Supplement. ALCO and the Joint Lead Underwriters 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 Offer Supplement includes forward-looking statements, including statements regarding the expectations and projections of the Issuer for future operating performance and business prospects. The words "believe", "expect", "anticipate", "estimate", "project", "plan", "intend", "seek", "target", "aim", "may", "might", "will", "shall", "should", "would" and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offer Supplement are forward-looking statements. Statements in this Offer Supplement 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 Offer Supplement, although ALCO can give no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. This Offer Supplement discloses, under the section "*Risk Factors*" and elsewhere, important factors that could cause actual results to differ materially from the expectation of the Issuer. All subsequent written and oral forward-looking statements attributable to either the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by these cautionary statements.

Definition of Terms

In this Offer Supplement, unless the context otherwise requires, the following terms shall have the meanings set forth below. Additional defined terms specifically relating to the Second Tranche of the ASEAN Green Bond Program are set out in the section "*Terms of the Offer*" in this Offer Supplement.

5-Year ASEAN Green Bonds	:	The ASEAN Green Bonds to be issued by the Issuer, having a term beginning on the Issue Date and ending on the 5th anniversary of the Issue Date or on [●], with a fixed interest rate equivalent to [●]% *per annum*.
7-Year ASEAN Green Bonds	:	The ASEAN Green Bonds to be issued by the Issuer, having a term beginning on the Issue Date and ending on the 7th anniversary of the Issue Date or on [●], with a fixed interest rate equivalent to [●]% *per annum*.
AAA-Grade Buildings	:	Also referred to as premium buildings. Buildings that have the highest standard in terms of (i) design, (ii) location, (iii) property management, and (iv) amenities.
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, the Company, or the Issuer	:	Arthaland Corporation, a corporation duly incorporated under the laws of the Philippines. As the context may require, any of these terms may include the consolidated subsidiaries of 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" or "Application to Purchase"	:	The application form accomplished and submitted by an Applicant to the relevant Lead Underwriter and Joint Bookrunner [or Seeling Agent, if any] for the purchase of a specified amount of the relevant series of the ASEAN Green Bonds, together with all the requirements set forth in such application form, whether originally signed in the form prescribed attached in the Registry and Paying Agency Agreement, or electronically submitted through e-SIP.
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.
ASEAN Green Bond Program	:	Has the meaning given to such term in the introductory portion of this Offer Supplement.
ASEAN Green Bonds	:	The Bonds with an aggregate amount of up to ₱3.0 billion, consisting of the 5-Year ASEAN Green Bonds with fixed interest rate of [●]% *per annum*, and the 7-Year ASEAN Green Bonds with fixed interest rate of [●]% *per annum*, which the Issuer shall issue for distribution and sale on Issue Date. For the avoidance of doubt, these are the Bonds covered by this Offer Supplement.
Banking Day	:	A day, other than Saturday, Sunday and public holidays on which commercial banks 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.
Bond Agreements	:	Collectively, the Trust Agreement (including for the avoidance of doubt, the Terms and Conditions and the Master Certificates of Indebtedness to be issued pursuant to the Trust Agreement), the Underwriting Agreement, and the Registry and Paying Agency Agreement, and any amendments thereto.
Bondholder	:	A Person whose name appears, at any relevant time, as the registered owner of the ASEAN Green Bonds in the Registry of Bondholders.

Bonds	:	The fixed rate bonds under the Company's ASEAN Green Bond Program.
BPO	:	Business Process Outsourcing.
Cazneau	:	Cazneau, Inc.
CBD	:	Central Business District.
Change in Control Event	:	Has the meaning given to such term in the section ononsections "*Terms of the Offer*" and "*Description of the ASEAN Green Bonds*" of this Offer Supplement.
Change in Control Put Date	:	Has the meaning given to such term in the section ononsections "*Terms of the Offer*" and "*Description of the ASEAN Green Bonds*" of this Offer Supplement.
Change in Control Redemption Price	:	Has the meaning given to such term in the section ononsections "*Terms of the Offer*" and "*Description of the ASEAN Green Bonds*" of this Offer Supplement.
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.
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.

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

(a) that if the Issuer or any of its subsidiaries issue 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.]

Early Redemption Option Dates : Has the meaning given to such term in the section ononsections "*Terms of the Offer*" and "*Description of the ASEAN Green Bonds*" of this Offer Supplement.

EPMI : Emera Property Management, Inc.

Events of Default : For purposes of the Terms and Conditions applicable to the ASEAN Green Bonds, has the meaning given to such term in the section "*Description of the ASEAN Green Bonds*" of this Offer Supplement.

Fair Market Value of Assets : At any particular time, the aggregate of the total current assets and the total non-current assets of the Issuer as shown in the balance sheet of its latest audited financial statements on a consolidated basis.

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 jacuzzis, terraces, gardens, courts or plazas, balconies exceeding ten square meters, fire escape structures and the like.
Government Authority	:	The Government of the Republic of the Philippines, or any political subdivision or agency thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to the said government, and any national agency or body vested with jurisdiction or authority over any Person.
H1	:	First half.
H2	:	Second half.
IFRS	:	International Financial Reporting Standards.
Indebtedness	:	(i) All indebtedness or other obligations of the Issuer for borrowed money or for the deferred purchase price of property or services and similar arrangements; (ii) all indebtedness or other obligations of any other Person, the payment or collection of which is guaranteed by the Issuer (except by reason of endorsement for collection in the ordinary course of business) or in respect of which the Issuer is liable, contingently or otherwise, including without limitation, any agreement to purchase, to provide funds for payment, to supply funds to or otherwise invest in such Person; and (iii) capitalized lease obligations of the Issuer.
Interest Payment Dates	:	Has the meaning given to such term in the section ononsections "*Terms of the Offer*" and "*Description of the ASEAN Green Bonds*" of this Offer Supplement.
Interest Rate	:	[•]% fixed rate per annum for the 5-Year ASEAN Green Bonds; and [•]% fixed rate per annum for the 7-Year ASEAN Green Bonds.

Issue Date	:	[16 December 2022], or such other date as may be agreed upon by the Issuer, the Joint Lead Underwriters and Joint Bookrunners with advice to SEC, PDTC and PDEx.
Joint Lead Underwriters or **Joint Lead Underwriters and Joint Bookruners**	:	BDO Capital and PNB Capital.
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.
Lien	:	With respect to any Person, any lien, pledge, mortgage, charge, hypothecation, encumbrance, or other security interest or preferential arrangement on or with respect to any asset or revenue of such Person.
Majority Bondholders	:	(i) With respect to matters relating only to the 5-Year ASEAN Green Bonds, Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the 5-Year ASEAN Green Bonds; (ii) with respect to matters relating only to the 7-Year ASEAN Green Bonds, Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the 7-Year ASEAN Green Bonds; and (iii) with respect to matters affecting all ASEAN Green Bonds, Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the ASEAN Green Bonds.
Master Certificate of Indebtedness	:	Each of the certificates to be issued by the Issuer in the name of the Trustee for the benefit of the Bondholders evidencing and covering the aggregate principal amount of the 5-Year ASEAN Green Bonds and the aggregate principal amount of the 7-Year ASEAN Green Bonds purchased during the Offer Period, substantially in the form annexed to the Trust Agreement.
Material Adverse Effect	:	In relation to the Issuer, and in the reasonable opinion of the [Joint Lead UnderwritersUnderwritersMajority Bondholders] after discussions with the Issuer, a material adverse effect on: (i) the ability of the Issuer to perform or comply with any of its obligations, or to exercise any of its rights, under the Trust Agreement, the Issue Management and Underwriting Agreement, or the ASEAN Green Bonds; (ii) the validity or enforceability of the Trust Agreement, the Underwriting Agreement, or the ASEAN Green Bonds; or (iii) the financial condition and business operations of the Issuer taken as a whole.

MPI	:	Manchesterland Properties, Inc.
NAPOCOR	:	National Power Corporation
Negative Pledge	:	A negative covenant of the Issuer under the Trust Agreement in relation to the Bonds not to (i) create, assume, incur or suffer to exist any Lien upon any of its properties or assets, and (ii) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Issuer or any of its Subsidiaries in each case, where the arrangement or transaction is entered into primarily as method of raising Indebtedness or of financing acquisitions of an asset, provided that the foregoing restrictions shall not apply to any Permitted Liens. For more details, please refer to the section *"Description of the ASEAN Green Bonds"* in this Offer Supplement. Capitalized terms used herein are defined in the Trust Agreement.
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 not limited to all internal walls, mezzanines, bathrooms, pipe chases, columns and balconies depending on a specific project's terms of reference.
Offer	:	The public offer for sale, distribution and issuance of the ASEAN Green Bonds by the Issuer to investors.
OLSA	:	Omnibus Loan and Security Agreement.
PAS	:	Philippine Accounting Standards.
Paying Agent	:	PDTC. The term includes, wherever the context permits, all other Person or Persons for the time being acting as paying agent or paying agents under the Registry and Paying Agency Agreement, as the same may be amended from time to time.
PDEx	:	Philippine Dealing & Exchange Corp.
PDTC	:	Philippine Depository and Trust Corporation.
Penalty Interest	:	Has the meaning given to such term in the section on the "*Description of the ASEAN Green Bonds*"." ." of this Offer Supplement.
Permitted Lien	:	Has the meaning given to such term in the section on the "*Description of the ASEAN Green Bonds*"." ." of this Offer Supplement.

Person	:	Any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organization.
Pesos, ₱, Php and Philippine Currency	:	The legal currency of the Republic of the Philippines.
PFRS	:	Philippine Financial Reporting Standards.
PGBC	:	Philippine Green Building Council.
Philippines	:	The Republic of the Philippines.
PhilRatings	:	Philippine Rating Services Corporation.
PNB Capital	:	PNB Capital and Investment Corporation.
Pradhana	:	Pradhana Land, Inc.
Prospectus	:	The Prospectus dated 21 January 2020 issued by the Company in relation to the shelf-registration of debt securities in an aggregate principal amount of ₱6.0 billion, as the same may be amended or supplemented from time to time.
PSE	:	Philippine Stock Exchange.
Q1	:	First quarter.
Q2	:	Second quarter.
Q3	:	Third quarter.
Q4	:	Fourth quarter.
Record Date	:	As used with respect to any Payment Date, it means 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.
Redemption Price	:	Has the meaning given to such in the section ononsections "*Terms of the Offer*" and "*Description of the ASEAN Green Bonds*" of this Offer Supplement.
Registrar	:	PDTC. The term includes, wherever the context permits, all other Person or Persons for the time being acting as registrar or registrars under the Registry and Paying Agency Agreement.
Registration Statement	:	The registration statement and other supporting documents filed by the Issuer with the SEC in connection with the offer and sale to the public of the Bonds and rendered effective by the SEC.

Registry and Paying Agency Agreement : The Registry and Paying Agency Agreement dated [●], 2022, and its annexes and attachments, as may be modified, supplemented or amended from time to time, and entered into between the Issuer and the Registrar and Paying Agent in relation to the ASEAN Green Bonds.

Registry of Bondholders : Electronic register of Bondholders of the outstanding Bonds of a particular tranche of the ASEAN Green Bond Program.

SLDC : Savya Land Development Corporation.

SEC : Philippine Securities and Exchange Commission.

SEC Guidelines on ASEAN Green Bonds : SEC Memorandum Circular No. 12, Series of 2018 or "*Guidelines on the Issuance of Green Bonds under the ASEAN Green Bonds Standards in the Philippines*".

SEC Permit : The Permit to Sell issued by the SEC in connection with the Offer.

Second Tranche of the ASEAN Green Bond Program : The second and last tranche fixed rate Bonds under the Company's ASEAN Green Bond Program in an aggregate principal amount of [up to] ₱3.0 billion; also, the ASEAN Green Bonds subject of the Offer and this Offer Supplement.

Shelf Period : Period of three years from the effectivity of the Registration Statement, subject to applicable regulations, within which bonds under the Debt Securities Program may be issued.

SOM : Skidmore, Owings & Merrill.

Sqm : Square meters.

SRC : The Securities Regulation Code of the Philippines (Republic Act No. 8799).

Second Tranche of the ASEAN Green Bond Program : The second and last tranche fixed rate Bonds under the Company's ASEAN Green Bond Program in an aggregate principal amount of [up to] ₱3.0 billion; also, the ASEAN Green Bonds subject of the Offer and this Offer Supplement.

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 board of directors 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.

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.

Tax Event	:	Has the meaning given to such in the section on "*Terms of the Offer*" and "*Description of the ASEAN Green Bonds*" of this Offer Supplement.
Terms and Conditions	:	Has the meaning given to such term underunderin the section "*Description of the ASEAN Green Bonds*","," of this Offer Supplement, pursuant to which the Issuer issues, and the Bondholders subscribe for, the ASEAN Green Bonds.
Trading Day	:	A day when the PDEx is open for business
Tranche	:	Each tranche of Bonds under the Company's ASEAN Green Bond Program.
Treasury Transaction	:	Any currency, commodity, or interest rate purchase, cap or collar agreement, forward rate agreement, future or option contract, swap or other similar agreement, in relation to the Issuer's treasury management.
Trust Agreement	:	The agreement executed by and between the Issuer and the Trustee dated on or about [●] in connection with the distribution and sale by the Issuer of the ASEAN Green Bonds.
Trustee	:	Philippine National Bank – Trust and Banking Group. The term includes, wherever the context permits, all other Person or Persons for the time being acting as trustee or trustees under the Trust Agreement as the same may be amended from time to time.
UPHI	:	Urban Property Holdings, Inc.
VAT	:	Value-added tax
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 the audited financial statements, including notes thereto, found in the appendices of this Offer Supplement.

Prospective investors should read this entire Offer Supplement fully and carefully, including the section on "Risk Factors". In case of any inconsistency between this summary and the more detailed information in this Offer Supplement, 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. It is the recipient of various awards in the Philippines and in Asia. Its flagship projects, Arya Residences and ACPT, have received various awards including *Best Residential High-Rise Development (Philippines)* from Asia Pacific Property Awards (2014) for Arya Residences, while ACPT received *Best Office Development* from the Philippines Property Awards (2019), and *Best Green Development (Philippines)* from South East Asia Property Awards (2016). ALCO has built its mark in the Philippine real estate market by giving its commitment to sustainability and innovation, and by developing and managing properties that adhere to the global and national standards in green buildings.

ALCO was incorporated on 10 August 1994[2] for the primary purpose of engaging in the realty development business, including home building and development, and of dealing, engaging, investing and transacting, 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 of CPG, an affiliate of leading food manufacturer Century Pacific Food, Inc., which is listed with the PSE under the stock symbol "CNPF", into ALCO 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 30 September 2022, CPG and AOCH1 are the largest shareholders of ALCO with 40.29%[3] and 26.02%, respectively of ALCO's total issued and outstanding common shares. The Company's common shares, Series C and Series D Preferred Shares are traded on the PSE with the trading symbol ALCO, ALCPC and ALCPD respectively, while the Company's Series A Preferred Shares which are being held by a single shareholder remain unlisted. All Series B Preferred Shares were redeemed as of 6 December 2021 and are now treasury shares of ALCO.

ALCO's firm commitment to sustainability is manifested in its development portfolio which is composed entirely of certified sustainable projects. All its projects adhere to global and national standards for green buildings through the Leadership for Energy and Environmental Design (LEED) rating system of the U.S.

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

3 Including 125,000,000 indirectly owned shares

Green Building Council (USGBC) and the Building for Ecologically Responsive Design Excellence (BERDE) rating system of the Philippine Green Building Council (PHILGBC). Since 2019, ALCO has expanded its sustainability commitment by pursuing additional green building rating tools, specifically the Excellence for Design and Greater Efficiencies (EDGE) rating system of the IFC, and the WELL Building Standard (WELL) rating system of the International WELL Building Institute (IWBI).

In September 2019, ALCO's flagship office development, the ACPT, was recognized as the first Net Zero Carbon Project in the world certified under the Excellence in Design for Greater Efficiencies ("EDGE") Green Building Program of the IFC. 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, the Company has placed not only itself, but also the Philippines, in the forefront of the global initiative for climate action.

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:

Project Name	***GFA (in sqm)***	***NLA/NSA (in sqm)***	***Location***	***Development Type***	***Year of Completion or Expected Year of Completion***
Arya Residences	*76,284*	*67,876*	*BGC, Taguig City*	*Residential*	*Tower I - 2013 Tower II - 2016*
ACPT	*34,295*	*32,016*	*BGC, Taguig City*	*Office*	*2019*
Cebu Exchange	*108,564*	*89,018*	*Salinas Drive, Cebu City*	*Office*	*2022*
Savya Financial Center	*59,763*	*49,078*	*Arca South, Taguig City*	*Office*	*2022*
Sevina Park	*129,910*	*99,144*	*Biñan, Laguna*	*Mixed use*	*In phases from 2022 onward*
Lucima	*28,063*	*21,927*	*Cebu Business Park, Cebu City*	*Residential*	*2024*
Makati CBD Residential 1	*32,283*	*24,155*	*Makati CBD*	*Residential*	*2027*
Eluria	*14,656*	*11,729*	*Makati CBD*	*Residential*	*2025*
Makati CBD Residential 3	*15,760*	*11,190*	*Makati CBD*	*Residential*	*2027*
Project JL	*44,158*	*32,170*	*Metro Manila*	*Residential*	*2030*
Project Olive	*287,753*	*212,913*	*Metro Manila*	*Mixed Use*	*In phases from 2028 onward*
Project Midtown	*160,750*	*129,430*	*Cebu City*	*Mixed Use*	*In phases from 2028 onward*
Project SL	*435,500*	*261,300*	*Southern Metro Manila*	*Mixed Use*	*In phases from 2027 onward*

Arya Residences

Arya Residences 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 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 and only 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.

Arthaland Century Pacific Tower (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, opposite The Shangri-La at the Fort and proximate to the PSE. ACPT addresses the strong demand for office space in BGC with its 34,295 sqm of GFA and 32,016 sqm of NLA. ALCO commenced the development of ACPT in 2014 and completed the project in 2019.

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 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. As of 30 September 2022, 100% of ACPT's NLA which is owned by ALCO has been leased out.

Cebu Exchange

Cebu Exchange, a 38-storey office building with retail establishments is one of Cebu's largest and tallest office developments catering to Cebu's office space market. It is built on an 8,440 sqm property located along Salinas Drive directly across the Cebu IT Park in Cebu City, with a 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. Phase 1 of Cebu Exchange, covering areas from the basement to the 15th level, was successfully completed and handed over to buyers in September 2020 and Phase 2, covering areas from the 16th level to the roofdeck, initiated handover in April 2022, both in accordance with their pre-pandemic handover dates.

In Q2 2022, ALCO, through its wholly owned subsidiary, CLLC, identified 10,687 sqm of units and 36 non-appurtenant parking units in Cebu Exchange which were removed from its inventory of real estate for sale and reclassified into investment properties to boost recurring revenues from lease income for the group. As of 30 June 2022, the units and parking slots identified were valued at about ₱1.8 billion.

As of 30 September 2022, physical accomplishment of Cebu Exchange is at 99.5% and ₱8.58 billion in reservation sales contracts have been executed for office and retail units in the project. These reservation contracts, together with the office and retail units that have been converted to investment properties, cover approximately 76.5% of the total net saleable area 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. 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 for Neighborhood Development (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.

Courtyard Hall

Phase one of the project covering the first 4,000 sqm has already been developed into Courtyard Hall which offers dormitory accommodations for students. As of 30 September 30, 2022, current occupancy rate is at 53% representing 184 out of the 348 beds for lease. The Company is currently in discussions for the execution of a new Memorandum of Agreement (MOA) between Cazneau and De La Salle University for the guaranteed lease of 150 beds for a period of one academic year.

Sevina Park Villas

In June 2019, ALCO launched the Sevina Park Villas covering approximately 3 hectares of the 8.1- hectare property. The Sevina Park Villas are designed by L.V. Locsin and Partners and consist of 108 units ranging from 138 sqm to 182 sqm in floor area for each. As of 30 September 2022, ALCO has executed reservation contracts with a total value of ₱1.27 billion covering 63 of the 108 units of the Sevina Park Villas.

Una Apartments in Sevina Park

Una Apartments, the first of six apartment towers in Sevina Park and ALCO's first residential project which is designed to cater to the broader mid-scale market, was launched in September 2022. The mid-rise tower will have multiple sustainability certifications that will let its residents enjoy water and electricity savings by as much as 20%. In addition, all units will be furnished with Ikea products. As of 30 September 2022, ALCO is in the process of documenting reservation contracts with a total value of about ₱1.1 billion covering 49% of the net saleable area of Una Apartments.

ALCO will launch succeeding phases of the residential towers that will cater to both the broader mid-scale and upscale market from 2024 onward.

Commercial lot in Sevina Park

As part of building a sustainable mixed-use community in Sevina Park, the Company is selling four of its six commercial blocks. Each lot will have an average size of 2,500 sqm and will be ready for turnover by Q1 of 2023. Meanwhile, the remaining two commercial blocks will be developed into a commercial space that includes a supermarket and boutique establishments that will complement to the everyday needs of the residents within Sevina Park.

Savya Financial Center

In 2017, ALCO, together with its Filipino joint venture partner, acquired an approximately 6,000-sqm property within the Arca South development in Taguig City where ALCO expects office space to grow exponentially resulting from the property's direct access to major thoroughfares C-5 and Skyway, the presence of the proposed Taguig Integrated Transport Exchange inside Arca South and the roll-out of the Metro Manila Subway which will have one of its stations inside Arca South as well. The property is currently being developed into Savya Financial Center, a two-tower commercial development designed and built with leading-edge sustainable building features. Savya Financial Center has achieved LEED Gold pre-certification and is also WELL pre-certified. It is on-track to achieve BERDE 4-star certification and EDGE Zero Carbon certification.

The property is held under SLDC which will be owned 50% each by Kashtha and its Filipino joint venture partner as per agreement between them.

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 Kashtha to be owned 60% by ALCO and 40% by MEC which (i) acquired and, thereafter, owns and holds the 50% equity interest in SLDC, thereby making Kashtha the direct 50% stockholder in SLDC, and (ii) acquired by assignment the shareholder's advances made by ALCO to SLDC.

Following the terms of the shareholders' agreement between ALCO (subsequently Kashtha) and Help Holdings, Inc. ("HHI") its Filipino strategic partner, which owns the remaining 50% of the common shares and shareholder advances to SLDC, the common shares held by Kashtha represent 100% of the economic interest in the North Tower of Savya while the common shares held by HHI represent 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.

The North Tower initiated handover to buyers in January 2022, consistent with pre-pandemic delivery dates. The South Tower is expected to be completed as well in Q4 2022. As of 30 September 2022, reservation contracts with a total value of approximately ₱3.06 billion and covering approximately 48% of the North Tower NSA have been executed.

Lucima

In August 2019, ALCO, through its special purpose company, Bhavana, purchased 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 which is the foremost business district of Cebu City. The property will be developed into the first and only premiere, multi-certified, sustainable residential high-rise development. The Project is on-track to achieve quadruple certification including LEED, BERDE, EDGE and WELL certifications from 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 263 residential units.

Lucima was launched in July 2021. As of 30 September 2022, reservation contracts with a total value of approximately ₱2.06 billion covering approximately 42% of Lucima's NSA have been executed. The project is expected to be completed by Q4 of 2024.

Eluria

In 2020, ALCO, through its special purpose company, Bhavya, completed the acquisition of a 916 sqm property in Legazpi Village, Makati City. The property will be the site of ALCO's pioneer residential project in Makati City which will be a low-density, multi-certified, ultra-luxury development that will offer large, limited edition designer residences. Once completed, its future residents will enjoy exceptional white glove butler services. The project will offer only 37 residential units and will have a total gross floor area of approximately 14,600 sqm. ALCO expects to formally launch the project within Q4 2022.

Makati CBD Residential Project 1

ALCO has acquired about 47.4% of a 2,018-sqm property located along Antonio Arnaiz Avenue within the Makati Central Business District. The Company, through its subsidiary, Zileya, is currently in the process of partitioning the property to enable it to own 100% of approximately 957 sqm of the current lot area. Once the partitioning is completed, the Company plans to develop a high-rise luxury, sustainable, multi-certified residential property. ALCO expects to launch the project by H2 of 2023.

Makati CBD Residential Project 3

ALCO is negotiating to acquire a property with a gross land area of about 1,000 sqm situated in a prime location along the Makati Central Business District. The property will be developed into a high-rise multi-certified sustainable tower that will cater to luxury market to take advantage of its strategic location. The tower will have a gross floor area of about 15,800 sqm. and will offer 67 units inclusive of the retail unit at the ground floor. The project is expected to launch in Q1 2024.

Project JL

ALCO is evaluating the acquisition of a property with a gross land area of about 3,700 sqm located in a prime central business district in Metro Manila. The project will be positioned to cater to the broader midscale market and will carry the same sustainability features as with our other ALCO projects. The property will be developed into a two-tower high rise residential condominium with a gross floor area of about 44,000 sqm and will offer a mix of studio and one-bedroom units of up to 1,120 units. The first tower will offer 520 units and is phased to launch in Q2 2024.

Project Olive

ALCO is currently in discussions for 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 which is expected to benefit substantially from upcoming public infrastructure. The general land area of 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 intends to develop the property into a boutique, masterplanned, 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 2024 to 2038. Completion will be planned in phases between 2028 to 2042.

Project Midtown

ALCO is evaluating the acquisition of a 2.35-hectare property in the middle of the most prime city center area in southern Philippines. The acquisition program is expected to be completed between 2024 to 2028 to manage the funding requirements over time. ALCO plans to develop the property into the Project Midtown over multiple phases from to 2024 to 2033 to provide a steady pipeline of projects which will contribute to the revenues of ALCO over the long-term. Project Midtown is envisioned to be a sustainable masterplanned development which will have commercial, residential and retail components.

Project SL

ALCO is evaluating the acquisition of a 45-hectare residential property located in southern Metro Manila. Project SL is envisioned to be a sustainable masterplanned residential community. The development plan will be done across four phases which will be implemented over a period of ten years, with the initial launch targeted in 2024.

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

COMPETITIVE STRENGTHS

ALCO believes that its competitive strengths include:

- Strong brand equity resulting from a clear differentiation in value and 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 in high growth areas
- Prudent financial management
- Resilient pandemic response

(For a more detailed discussion, see "Competitive Strengths" on page 113.)

BUSINESS STRATEGIES

The Company's business strategies include the following:

- Over-all growth and diversification strategy
- Focused mid-term land acquisition strategy to sustain pipeline of projects
- Providing a superior value proposition by maintaining high quality of projects
- Matching of Fixed Costs with recurring income
- Strategic partnerships providing access to capital and development expertise

(For a more detailed discussion, see "ALCO's Business Strategy" starting on page 119.)

RISKS OF INVESTING

Prospective investors should consider the following risks of investing in the ASEAN Green Bonds:

- Risks relating to ALCO and its subsidiaries (including specific risks related to land and real estate development businesses)

- The recent COVID-19 global pandemic has had and is expected to continue to have an adverse effect on the real estate industry and, by extension, possibly on the Company's business and operations.
- No assurance of successful implementation of business plans and strategies
- The Company's business is inherently volatile
- The Company operates in a 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 an 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 could 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 will 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 which may result in less than adequate insurance coverage
- The Company or its contractors may be subject to labor unrest, slowdown 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 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.
- Risks on substantial sale cancellations
- Changes in tax policies affecting tax exemptions and tax incentives could adversely affect the Company's results of operations.

- Risks relating to the Philippines
    - Company is exposed to risks related to the slowdown in the Philippine economy
    - Political and social instability or acts of terrorism could adversely affect the financial results of the Company
    - Occurrence of natural catastrophes could adversely affect the business of the Company
    - Occurrence of a Philippine credit rating downgrade could adversely affect the business of the Company

- Risks relating to the ASEAN Green Bonds
  - An active or liquid trading market for the ASEAN Green Bonds may not develop
  - The period for the Company to fully realize the benefits resulting from the use of proceeds of the ASEAN Green Bonds may extend beyond the relevant maturity date
  - Holders of the ASEAN Green Bonds may face possible gain or loss if the ASEAN Green Bonds are sold at the secondary market
  - The ASEAN Green Bonds may not be able to retain its credit rating
  - Bondholders may incur a loss if the Company is unable to redeem the ASEAN Green Bonds at the relevant maturity date.
  - The ASEAN Green Bonds have no preference under Article 2244(14) of the Civil Code and may be Subordinated to other debts
  - Inability to reinvest at a similar return on investment upon redemption
  - There is no guarantee that the ASEAN Green Bonds will be listed
  - The ASEAN Green Bonds may not be a suitable investment for all investors seeking exposure to green assets

(For a more detailed discussion, see "Risk Factors" on page [506])

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 ASEAN Green Bonds should read the summary financial data below together with the consolidated financial statements, including the notes thereto, included in this Offer Supplement, 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 31 December 2019, 2020 and 2021 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 Offer Supplement. The summary financial data as of and for the six months ended 30 June 2021 and 2022, 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 Offer Supplement. The historical financial condition, results of operations and cash flows of ALCO are not a guarantee of its future operating and financial performance.

Income Statement
in ₽ millions except where otherwise indicated

	Audited, as of 31 December				Unaudited, as of 30 June	
	2019	2020	2021		2021	2022
Revenues	**3,848**	**3,301**	**2,972**		**1,245**	**1,112**
Cost of sales and services	(2,146)	(1,683)	(1,729)		(705)	(653)
Gross income	**1,702**	**1,618**	**1,243**		**540**	**459**
Administrative expenses	410	417	438		219	271
Selling and marketing expenses	256	263	300		128	111
Operating expenses	666	680	738		347	382
Income from operations	**1,036**	**938**	**505**		**193**	**77**
Finance costs	(125)	(281)	(278)		(140)	(178)
Gain on change in fair value of investment properties	1,181	960	872		507	1,145
Other income – Net	31	42	28		23	23
Income before income tax	**2,123**	**1,659**	**1,127**		**583**	**1,067**
Provision for (benefit from) income tax	636	490	12		(138)	271
Net income	**1,487**	**1,169**	**1,115**		**721**	**796**
Other comprehensive income (loss)						
Remeasurement gains (losses) on net retirement liability	(26)	(8)	10		-	-
Income tax benefit (expense) on remeasurement gains or losses	8	3	(2)		-	-
Total comprehensive income	**1,469**	**1,164**	**1,123**		**721**	**796**

Balance Sheet
in ₽ millions except where otherwise indicated

	Audited, as of 31 December			Unaudited, as of 30 June	
	2019	2020	2021	2021	2022
Cash and cash equivalents	407	941	1,949	1,297	2,840
Financial assets at fair value through profit or loss (FVPL)	772	3,257	4,379	2,396	2,059
Receivables	390	539	1,563	701	2,316
Contract Assets	3,250	5,342	6,239	6,027	3,931
Real estate for sale	5,410	6,895	8,989	7,720	8,952
Investment properties	7,280	8,315	9,026	8,822	11,014
Property and equipment	283	280	273	277	309
Other Assets	1,684	1,978	2,253	2,112	2,306
Total Assets	**19,476**	**27,547**	**34,671**	**29,352**	**33,727**
Loans payable	6,925	9,306	13,437	10,246	11,389
Bonds payable	-	2,959	2,967	2,962	2,972
Accounts payable and other liabilities	2,489	2,793	4,219	3,246	4,140
Contract liabilities	32	27	62	32	169
Advances from non-controlling interests	1,145	1,368	1,102	1,368	1,102
Net retirement liability	100	101	118	117	132
Net deferred tax liabilities	1,309	1,763	1,714	1,615	1,810
Total Liabilities	**12,000**	**18,317**	**23,619**	**19,586**	**21,714**
Capital stock	1,000	1,000	1,006	1,000	1,006
Additional paid-in capital	3,009	3,009	5,973	3,009	5,973
Retained earnings	3,162	3,779	4,405	4,042	4,974
Other equity reserves	-	230	178	230	178
Parent Company's shares held by a subsidiary	(13)	(13)	(13)	(13)	(13)
Treasury shares - preferred shares series B	-	-	(2,000)	-	(2,000)
Total equity attributable to the Parent Company	7,158	8,005	9,549	8,2689	10,118
Non-controlling interests	318	1,225	1,503	1,498	1,895
Total Equity	7,476	9,230	11,052	9,766	12,013
Total Liabilities and Equity	19,476	27,547	34,671	29,352	33,727

Consolidated Statement of Cash Flows
in ₽ millions except where otherwise indicated

	Audited, as of 31 December				Unaudited, as of 30 June	
Cash flows from (used in):	2019	2020	2021		2021	2022
Operating activities	(3,350)	(3,022)	(3,193)		(1,488)	205
Investing activities	(785)	(2,579)	(1,160)		858	2,277
Financing activities	4,259	6,135	5,361		986	(1,594)
Effect of consolidation of Arcosouth	(1)	-	-		-	-
Effect of exchange rate changes in cash and cash equivalents	(1)	(0)	0		(0)	3
Net increases in cash and cash equivalents	122	534	1,008		356	891
Cash and cash equivalents at beginning of period	285	407	941		941	1,949
Cash and cash equivalents at end of period	**407**	**941**	**1,949**		**1,297**	**2,840**

Capitalization

The following table sets forth the unaudited consolidated debt and capitalization of ALCO as of 30 June 2022, as well as the issuance of the ASEAN Green Bonds. This table should be read in conjunction with the more detailed information and unaudited consolidated financial statements, including notes thereto, found in Appendix "A" of this Offer Supplement.

in ₱ millions except where otherwise indicated	**As of 30 June 2022 (Unaudited)**	**Adjustments**	**As adjusted for a maximum Issue Size of up to ₱3 Billion**
Loans payable	11,389		11,389
Bonds payable	2,972	2,945	5,917
Accounts payable and other liabilities	4,140		4,140
Contract liabilities	169		169
Advances from non-controlling interests	1,102		1,102
Net retirement liability	132		132
Net deferred tax liabilities	1,810		1,810
Total Liabilities	**21,714**	**2,945**	**24,659**
Capital stock	1,006		1,006
Additional paid-in capital	5,973		5,973
Retained earnings	4,974		4,974
Other equity reserves	178		178
Parent Company's shares held by a subsidiary	(13)		(13)
Treasury shares - preferred shares series B	(2,000)		(2,000)
Non-controlling interests	1,895		1,895
Total Equity	**12,013**		**12,013**
Total Capitalization	**33,727**	**2,945**	**36,672**

Overview of the ASEAN Green Bond Program

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offer Supplement and in relation to the terms and conditions of any particular tranche of the ASEAN Green Bond Program, the applicable terms and conditions.

On 14 October, 2019, the Board of Directors of the Company approved for the shelf registration in the Philippines of up to ₱6.0 billion fixed rate public debt securities (referred to herein as the "**ASEAN Green Bond Program**", and the bonds thereunder, the "**Bonds**") to be issued in tranches within a period of three (3) years from the date of the effectivity of the Registration Statement filed with the SEC (each, a "**Tranche**", and the three (3)-year period, the "**Shelf Period**"). Also on 14 October 2019, the Board of Directors authorized the offer and sale of the first tranche of the Bonds in the amount of up to ₱3.0 billion.

Accordingly, a Registration Statement was filed by the Company with the SEC in accordance with the Securities Regulation Code and its implementing regulations, and applicable rules and regulations of the SEC, including SEC Memorandum Circular No. 12, Series of 2018 or "*Guidelines on the Issuance of Green Bonds under the ASEAN Green Bonds Standards in the Philippines*". The registration statement filed by the Company covering its ASEAN Green Bond Program was rendered effective by the SEC by its order dated 21 January 2020. The SEC likewise issued a Certificate of Permit to Offer Securities for Sale dated 21 January 2020 for first Tranche of the Bonds.

On 7 October 2022, the Board of Directors authorized the offer and sale of the second Tranche of the Bonds in the amount of up to ₱3.0 billion, and approved the terms and conditions of the offer of such Tranche. This second tranche of the Bonds is the subject of this Offer Supplement.

The ASEAN Green Bond Program

The table below sets out the general terms of the Bonds issued and/or to be issued under the ASEAN Green Bond Program. In respect of the first Tranche of the Bonds, these general terms are subject to the more specific terms set out in the Prospectus and the Offer Supplement issued by the Company on 20 January 2020. In respect of the second the second Tranche of the Bonds, these general terms are subject to the more specific terms set out in the sections on "*Terms of the Offer*" and "*Description of the ASEAN Green Bonds*" of this Offer Supplement.

Issuer:	Arthaland Corporation
Facility:	₱6,000,000,000.00 ASEAN Green Bond Program
Availability:	The ASEAN Green Bond Program will be continuously available during the Shelf Period and Bonds from the said program will be offered for subscription once a permit to offer securities for sale is obtained from the SEC for each offer.
Maturity:	To be determined per Tranche (as defined below)
Method of Issue:	To be issued in tranches (each a "Tranche") on different issue dates. The initial tranche of the Bonds will consist of ASEAN Green Bonds which will be issued under the SEC Guidelines on ASEAN Green Bonds. Subsequent tranches are likewise intended to consist of ASEAN Green Bonds provided

	that the Issuer and the particular offer will be able to comply with such guidelines. The specific terms of each Tranche will be set forth in the final prospectus or corresponding offer supplement.
Form of Securities:	Each Tranche of the ASEAN Green Bond Program will be represented by a Master Certificate of Indebtedness to be issued and registered in the name of the Trustee for the Bondholders and by applicable document pursuant to the rules or other relevant regulations as promulgated by the SEC. Legal title to the Bonds shall be shown on and recorded in the Register of Bondholders maintained by the Registrar.
Denomination of the Bonds to be issued:	Minimum of ₱50,000.00 face value and in increments of ₱10,000.00 thereafter.
Redemption for Taxation Reasons:	If payments under the ASEAN Green Bond Program become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the relevant Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee) at par or 100% face value plus accrued interest.
Final Redemption:	Except when a call option on the fixed-rate bonds is exercised, the Bonds will be redeemed at par or 100% face value on the relevant maturity date.
Status of the Bonds:	The Bonds constitute direct, unconditional and unsecured Peso-denominated obligations of the Issuer and will rank *pari passu* and ratably without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations mandatorily preferred by law.
Negative Pledge:	The Bonds shall have the benefit of a Negative Pledge on all existing and future assets of the Issuer, subject to certain permitted liens contained in the relevant Trust Agreement.
Optional Redemption:	The applicable final terms will indicate either that the relevant Bonds cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Bonds will be redeemable at the option of the Issuer and/or the relevant Bondholders upon giving notice to the Bondholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer, the Underwriters and, as applicable, other relevant parties.
Purchase and Cancellation:	The Issuer may at any time purchase any of the Bonds in the open market or by tender or by contract at market price without any obligation to

purchase (and the Bondholders shall not be obliged to sell) Bonds pro-rata from all Bondholders. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of each particular Tranche of Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

Taxation:	Except: (1) tax on a Bondholder's interest income on the Bonds which is required to be withheld by the Issuer, and (2) capital gains tax/income tax, documentary stamp tax, gross receipts tax, value-added tax, estate tax, donor's tax and other taxes on the transfer of Bonds (whether by assignment or donation), if any and as applicable, which are for the account of the Bondholder, all payments of principal and interest will be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines or any political subdivision, agency or instrumentality thereof, including, but not limited to, issue, registration, or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided, however, that the Issuer shall not be liable for, and will not gross-up the payments of interest on the principal amount of the Bonds so as to cover any final withholding tax applicable on interest earned on the Bonds prescribed under the National Internal Revenue Code of 1997, as amended, and its implementing rules and regulations; provided finally that this shall be without prejudice to the early redemption option that is available to the Issuer for taxation reasons. Documentary stamp tax on the original issue of the Bonds shall be for the Issuer's account. A Bondholder who is exempt from or is not subject to final withholding tax on interest income or is subject to a preferential withholding tax rate may claim such exemption or preferential rate by submitting to Underwriters or selling agents (if any) or to the Registrar, as applicable, together with its Application to Purchase, the tax exemption documents specified in the Prospectus for the Initial Tranche of the ASEAN Green Bond Program, and the relevant Offer Supplement for succeeding Tranches of the Bonds. The tax treatment of a Bondholder may vary depending upon such person's particular situation and certain Bondholders may be subject to special rules not discussed above. This summary does not purport to address all the aspects that may be important and/or relevant to a Bondholder. Bondholders are advised to consult their own tax advisers on the ownership and disposition of the Bonds, including the applicability and effect of any state, local or foreign tax laws.
Governing Law:	Philippine Law

First Tranche of the Bonds issued on 6 February 2020

The following is a brief summary of the first Tranche of the Bonds issued under the Company's ASEAN Green Bond Program on 6 February 2020. The additional specific terms of the first Tranche of the Bonds are set out in the Prospectus and Offer Supplement issued by the Company on 20 January 2020.

Issuer	Arthaland Corporation
Issue Amount	₱3,000,000,000.00
Issue Date of the Bonds due 2025	6 February 2020
Maturity Date of the Bonds due 2025	6 February 2025 or five years after the Issue Date
Interest Rate of the Bonds due 2025	6.3517% fixed rate *per annum*
Status of the Bonds due 2025	The Bonds due 2025 constitute direct, unconditional and unsecured Peso-denominated obligations of the Issuer and will rank *pari passu* and ratably without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations mandatorily preferred by law, (ii) any obligation incurred by the Issuer as may be allowed by the Trust Agreement dated 20 January 2020, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the issue date of the Bonds due 2025.
Other terms and conditions of the Bonds due 2025	The terms and conditions the Bonds due 2025 include, among others, early redemption option exercisable by the Issuer, a redemption due to change in control, redemption due to a tax event. The Prospectus dated 20 January 2020 sets out in more details the specific terms and conditions of the Bonds due 2025.

Terms of the Offer

A discussion containing the "Terms of the Offer" is set out in this Offer Supplement for the ASEAN Green Bonds (which, for purposes of this Offer Supplement, refer to the Second Tranche of the Issuer's ASEAN Green Bond Program). However, any such discussion does not purport to be a complete listing of all the rights, obligations and privileges of the ASEAN Green Bonds and should be read together with, and is qualified in its entirety by reference to, the additional information appearing elsewhere in this Offer Supplement (including, but not limited to, the section on the "Description of the ASEAN Green Bonds"), the Articles of Incorporation and By-Laws of the Company (each as amended to date), the Trust Agreement, the Registry and Paying Agency Agreement, the other Bond Agreements, the Application to Purchase, the Company Disclosures, and applicable laws and regulations. Any such discussion may not contain all of the information that prospective investors should consider before deciding to invest in the ASEAN Green Bonds. Accordingly, any decision by a prospective investor to purchase the ASEAN Green Bonds should be based on a consideration of this Offer Supplement, the Articles of Incorporation and By-Laws of the Company (each as amended to date), the Trust Agreement, the Registry and Paying Agency Agreement, the other Bond Agreements, the Application to Purchase, the Company Disclosures, and applicable laws and regulations as a whole. Should there be any inconsistency between the discussion below and the final documentation, the final documentation shall prevail.

Prospective Bondholders are enjoined to perform their own independent investigation and analysis of the Issuer (including its subsidiaries) and the ASEAN Green Bonds. Each prospective Bondholder must rely on its own appraisal of the Issuer (including its subsidiaries) and the Offer, 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 participate in the proposed debt raising 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 Bondholder's independent evaluation and analysis.

Pursuant to the SEC Guidelines on ASEAN Green Bonds, ASEAN Green Bonds refer to bonds where the proceeds will be exclusively applied to finance or refinance, in part or in full, new and/or existing Eligible Green Projects that address key areas of environmental concern such as, but not limited to: (a) renewable energy; (b) energy efficiency; (c) pollution prevention and control; (d) environmentally sustainable management of living natural resources and use; (e) terrestrial and aquatic biodiversity conservation; (f) clean transportation; (g) sustainable water and waste water management; (h) climate change adaptation; (i) eco-efficient and/or circular economy adapted, production technologies and processes; and (j) green buildings which meet regional, national or internationally-recognized standards or certifications.

Under ALCO's Green Finance Framework, a portfolio of Eligible Green Projects qualifies for the use of proceeds for as long as these meet minimum eligibility requirements which include the following standards for the development of new buildings, acquisition and renovation of completed buildings (commercial and residential) compliant with any of the following standards:

- LEED -Gold or higher
- BERDE - 4-star or higher
- IFC's EDGE - EDGE Certified or EDGE Compliant
- Building Research Establishment Environmental Assessment Method (BREEAM) – Excellent or higher, Global Real Estate Sustainability Benchmark (GRESB), and other equivalent standards.

Pursuant to the SEC Guidelines on ASEAN Green Bonds, ALCO's Green Finance Framework was externally reviewed by Vigeo Eiris, an independent international provider of environmental, social and governance (ESG) research and services for investors and public and private organizations, which provided a second party opinion on ALCO's Green Finance Framework ("**Second Party Opinion**").

A copy of ALCO's Green Finance Framework and Vigeo Eiris' Second Party Opinion is available at https://www.arthaland.com.ph/investor-relations/other-disclosures-including-sec-17c.

The [indicative] terms and conditions of this Offer for the ASEAN Green Bonds are as follows:

Issuer	Arthaland Corporation ("**ALCO**", the "**Company**" or the "**Issuer**")
Issue Amount	[Up to] ₱3.0 billion
Instrument	Fixed rate ASEAN Green Bonds registered with the SEC consisting of: • [•]% *per annum* fixed rate ASEAN Green Bonds due [2027] ("**5-Year ASEAN Green Bonds**") • [•]% *per annum* fixed rate ASEAN Green Bonds due [2029] ("**7-Year ASEAN Green Bonds**") [Prior to the Offer Period, the Issuer may, in consultation with the Joint Lead Underwriters, decide that the Offer shall be limited to one series of ASEAN Green Bonds (instead of two series), and this Offer Supplement will be amended accordingly to reflect such decision.]
Registration and Listing	The ASEAN Green Bonds will be issued out of the Shelf Registration with the SEC pursuant to the Securities Regulation Code and its implementing rules and regulations. The ASEAN Green Bonds will be offered following the issuance of an SEC Permit (to offer securities) by the SEC. The ASEAN Green Bonds are intended to be listed for electronic trading and settlement on the PDEx on or about the Issue Date. Trading, Transfer, and/or settlement of the ASEAN Green Bonds shall be performed in accordance with the PDEx Rules and the rules and procedures of the Registrar. The ASEAN Green Bonds consist of the Bonds to be issued pursuant to the SEC Guidelines on ASEAN Green Bonds.
Issue Date	The ASEAN Green Bonds are expected to be issued on [16 December 2022], or such other date as may be agreed upon by the Issuer, the Joint Lead Underwriters and Joint Bookrunners with advice to SEC, PDTC and PDEx.

Use of Proceeds	ALCO intends to use the net proceeds from the Offer primarily: (1) to fund the additional investment by ALCO into Zileya to develop the Makati CBD Residential Project 1; (2) to fund the required investment from ALCO into project companies that will acquire and develop the property for the Makati CBD Residential Project 3, Project JL and Project Midtown and (3) to partially fund scheduled repayments of the loan that financed the construction and development of ACPT, all of which qualify as Eligible Green Projects under ALCO's Green Finance Framework. For a more detailed discussion on the use of proceeds, please see section on "*Use of Proceeds*" of this Offer Supplement.
Form and Denomination of the ASEAN Green Bonds	Minimum of ₱50,000.00 face value and in increments of ₱10,000.00 thereafter.
Status of the ASEAN Green Bonds	The ASEAN Green Bonds constitute direct, unconditional and unsecured Peso-denominated obligations of the Issuer and will rank *pari passu* and ratably without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations mandatorily preferred by law, (ii) any obligation incurred by the Issuer as may be allowed by the Trust Agreement, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the Issue Date.
Issue Price	The ASEAN Green Bonds will be issued at 100% of face value.
Maturity Date	The maturity dates of the ASEAN Green Bonds shall be as follows (each, a "**Maturity Date**"): (i) in respect of the 5-Year ASEAN Green Bonds, [●], 2027 or the 5th anniversary of the Issue Date, and (ii) in respect of the 7-Year ASEAN Green Bonds, [●], 2029 or the 7th anniversary of the Issue Date; provided that, in the event that such Maturity Date falls on a day that is not a Banking Day, the relevant Maturity Date shall be the immediately succeeding Banking Day, without adjustment to the amount of interest and principal to be paid; provided further that if the Issue Date is set at a date other than [16 December 2022], then the Maturity Date will be automatically adjusted to the date falling on: (i) in respect of the 5-Year ASEAN Green Bonds, the 5th anniversary of the Issue Date, and (ii) in respect of the 7-Year ASEAN Green Bonds, the 7th anniversary of the Issue Date.

<table>
<tr><td>Interest</td><td>Interest on the ASEAN Green Bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrears.</td></tr>
<tr><td>Interest Rate</td><td>[•]% fixed rate per annum for the 5-Year ASEAN Green Bonds

[•]% fixed rate per annum for the 7-Year ASEAN Green Bonds</td></tr>
<tr><td>Interest Payment Dates</td><td>[16 March] 2023 as the first interest payment date and every [16 June], [16 September], [16 December], and [16 March], of each year for each subsequent interest payments while the relevant series of the ASEAN Green Bonds are outstanding (each of such dates, an “Interest Payment Date”). In the event that any of such Interest Payment Dates is not a Banking Day, such Interest Payment Date shall be deemed to be the immediately succeeding Banking Day without any adjustment to the amount due, provided that if the Issue Date is set at a date other than [16 December 2022], then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date. The last Interest Payment Date shall fall on the relevant Maturity Date, or the immediately succeeding Banking Day if such date is not a Banking Day, without any adjustment to the amount due.</td></tr>
<tr><td>Early Redemption Option</td><td>As and if approved by the Board of Directors of ALCO and subject to the requirements of applicable laws and regulations, the Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding ASEAN Green Bonds before the Maturity Date on any one of the anniversary dates indicated below (the “Early Redemption Option Dates”), or the immediately succeeding Banking Day if such date is not a Banking Day, in accordance with the following schedule:

For the 5-Year ASEAN Green Bonds:

<table>
<tr><th>Early Redemption Option Dates</th><th>Redemption Price</th></tr>
<tr><td>On the 3rd anniversary of the Issue Date and every Interest Payment Date prior to the 4th anniversary date.</td><td>101.00%</td></tr>
<tr><td>On the 4th anniversary of the Issue Date and every Interest Payment Date prior to the relevant Maturity Date</td><td>100.50%</td></tr>
</table>

For the 7-Year ASEAN Green Bonds:

<table>
<tr><th>Early Redemption Option Dates</th><th>Redemption Price</th></tr>
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<table>
<tr><td>On the 5th anniversary of the Issue Date and every Interest Payment Date prior to the 6th anniversary date.</td><td>101.00%</td></tr>
<tr><td>On the 6th anniversary of the Issue Date and every Interest Payment Date prior to the relevant Maturity Date</td><td>100.50%</td></tr>
</table>
Please see the relevant portion of the section on “Description of the ASEAN Green Bonds” for additional details (if any) on this early redemption option exercisable by ALCO.
ALCO may, at its sole option, subject to the requirements of applicable laws and regulations, also redeem the relevant series of the ASEAN Green Bonds in whole, or all the ASEAN Green Bonds in whole, at any time if a Tax Event has occurred, having given not less than thirty (30) days’ written notice to the Trustee and the SEC prior to the intended date of redemption. Please see the relevant row below and the relevant portion of the section on “Description of the ASEAN Green Bonds” for additional details on this redemption option exercisable by ALCO in case of a Tax Event.
Moreover, ALCO may, at its sole option, subject to the requirements of applicable laws and regulations, also redeem the ASEAN Green Bonds, in whole but not in part, at any time if a Change in Control Event has occurred, having given not less than thirty (30) days’ written notice to the Trustee and the SEC prior to the intended date of redemption. Please see the next row and the relevant portion of the section on “Description of the ASEAN Green Bonds” for additional details on this redemption option in case of a Change of Control Event.
The redemption due to a Tax Event or a Change in Control Event shall be made by ALCO at 101% plus accrued interest (also called the “Redemption Price”), subject to the requirements of Applicable Law, which shall be paid on the date of redemption set out in the notice.
</td>
</tr>
<tr>
<td>Redemption due to Change in Control Event</td>
<td>At any time before the occurrence of Change in Control Event, or on the date of such occurrence, or within fourteen (14) 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 Board of Directors, shall give written notice to the Trustee, PDTC, PDEx and the SEC of the Change in Control Event, and cause PDTC to notify each ASEAN Green Bondholder, which notice shall state:</td>
</tr>
</table>

	(i) that a Change in Control Event has occurred, (i) (a) if it intends to exercise its Early Redemption Option (as defined above) to redeem in whole but not in part in relation to such a Change in Control Event, or (b) if the Issuer does not intend to exercise its Early Redemption Option, that any ASEAN Green Bondholder has the right to require the Issuer to redeem its portion of the ASEAN Green Bonds at the Change in Control Redemption Price (as defined below); (ii) if it intends to exercise its Early Redemption Option, the date set by the Issuer for such redemption, which shall be no earlier than thirty (30) days and no later than sixty (60) days from the date such notice is given (the "**Change in Control Put Date**"), and (iii) if the Issuer does not intend to exercise its Early Redemption Option, the procedures determined by the Issuer, consistent with the Trust Agreement, that an ASEAN Green Bondholder must follow in order to have its portion of the ASEAN Green Bonds redeemed. As set out in item (ii) above, if the Issuer has indicated that it will not exercise its Early Redemption Option, each ASEAN Green Bondholder shall have the right, at its option, to require the Issuer to repurchase in full (but not in part) such ASEAN Green Bondholder's portion of the outstanding ASEAN Green Bonds, at a redemption price equal to 101.00% of the face value of the principal amount of its portion of the ASEAN Green Bonds plus accrued interest (the **"Change in Control Redemption Price"**) on the Change of Control Put Date (as defined above). If any ASEAN Green Bondholder exercises such right to require the Issuer to repurchase its portion of the ASEAN Green Bonds, the Issuer shall not have any obligation to also repurchase the portions of the non-exercising ASEAN Green Bondholders, and the non-exercising ASEAN Green Bondholders shall not also be obliged to sell such portions. The Trustee shall not be required to take any steps to ascertain whether a Change in Control Event or any event which could lead to the occurrence of a Change in Control Event has occurred nor be liable to any person for any failure to do so.

	A change in control event ("**Change in Control Event**") shall be deemed to have occurred when: (a) CPG Holdings, Inc. ("**CPG**") and AO Capital Holdings 1 ("**AOCH1**") (or together with any of their respective affiliates) collectively cease to own 51% of the voting capital stock of ALCO and to retain the power to elect a majority of the Board of Directors; 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 sixty-seven percent (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 board of directors 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 fifty percent (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.
Tax Event	A tax event ("**Tax Event**") shall occur if interest payments or other amounts payable on the ASEAN Green Bonds 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, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to ALCO.
No Sinking Fund	ALCO has not established, and currently has no plans to establish, a sinking fund for the redemption of the ASEAN Green Bonds.
Negative Pledge	The ASEAN Green Bonds shall have the benefit of a negative pledge on all existing and future assets of the Issuer, subject

	to certain permitted liens, as provided under Section 5.2 of the Trust Agreement.
Purchase and Cancellation of the ASEAN Green Bonds	The Issuer may at any time purchase any of the ASEAN Green Bonds in the open market or by tender or by contract at market price, without any obligation to purchase (and the Bondholders shall not be obliged to sell) ASEAN Green Bonds pro-rata from all Bondholders. Any ASEAN Green Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the ASEAN Green Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.
Taxation	Interest income on the ASEAN Green Bonds is subject to a withholding tax at varying rates depending on the type of Bondholder. Assuming that the ASEAN Green Bonds are issued to twenty or more Bondholders, interest income from the ASEAN Green Bonds will be considered as income from a deposit substitute and will be subject to final withholding tax at the following rates: (a) 20% if the Bondholder is an individual citizen, a resident alien, or nonresident alien individual engaged in trade or business within the Philippines, domestic corporation or resident foreign corporation; (b) 25% if the Bondholder is a nonresident alien individual not engaged in trade or business within the Philippines; and (c) 25% if the Bondholder is a nonresident foreign corporation of the Philippines. A Bondholder that is a non-resident foreign corporation or a non-resident alien not engaged in trade or business in the Philippines that is a resident of a country that has a tax treaty with the Philippines may also claim the preferential rates under the applicable tax treaty. Payment of principal is to be made free and clear of any deductions or withholding for or on account of any taxes or imposed on income. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following: (a) The applicable final withholding tax on interest earned on the ASEAN Green Bonds prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations as maybe in effect from time to time (the "**Tax Code**"). (b) Gross Receipts Tax under Section 121 of the Tax Code;

	(c) Taxes on the overall income of any securities dealer or ASEAN Green Bondholder, whether or not subject to withholding; and (d) Value-added Tax ("**VAT**") under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337 and Republic Act No. 10963. Documentary stamp tax for the primary issue of the ASEAN Green Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.
Title	The beneficial interest to the ASEAN Green Bonds shall be shown on and recorded in the Register of Bondholders maintained by the Registrar. A notice confirming the principal amount of the ASEAN Green Bonds purchased by each applicant in the Offer shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the ASEAN Green Bonds shall pass by recording the transfer from a transferor to the transferee in the Register of Bondholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the ASEAN Green Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant ASEAN Green Bondholder.
Transfer of the ASEAN Green Bonds	Unless otherwise prohibited under the PDEx Rules, the ASEAN Green Bonds are freely transferable across tax categories. All transfers of the ASEAN Green Bonds shall be traded or coursed through a PDEx Trading Participant, in accordance with the PDEx rules. All trading in the secondary market should be in denominations of ₱10,000.00. The denominations for trading the ASEAN Green Bonds on PDEx will be subject to the PDEx Rules. As a condition precedent for any transfer of the ASEAN Green Bonds, the transferee ASEAN Green Bondholder must present to the Registrar, and in such forms as prescribed by the Registrar: (i) the Registry Confirmations of both the transferor and the transferee (if any); (ii) the Trade-Related Transfer Form or Non-Trade Related Transfer Form; (iii) the Investor Registration Form; (iv) Tax Exempt/Treaty Documents, if applicable; (v) written consent of the transferee ASEAN Green Bondholder to be bound by the terms of the ASEAN Green Bonds and the Registry Rules, in

	the form agreed upon between the Issuer and the Registrar; and (vi) such other documents as may be reasonably required by the Registrar. A service charge shall be imposed for any registration of transfer of the ASEAN Green Bonds, and the Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer of the ASEAN Green Bonds, each for the account of the ASEAN Green Bondholder requesting the registration of transfer of the ASEAN Green Bonds. Subject to applicable law, PDEx rules and regulations, normal selling restrictions for listed securities as may prevail in the Philippines from time to time, and payment by the relevant ASEAN Green Bondholder of the proper fees, if any, to PDEx and/or the Registrar, a transfer of bonds may generally be done at any time.
Other Terms and Conditions	Please refer to the section "Description of the ASEAN Green Bonds" starting on page [80] of this Offer Supplement for additional features, rights and privileges of, and information on, the ASEAN Green Bonds. Please refer also to the section "Plan of Distribution" starting on page [72] of this Offer Supplement, and other relevant sections of this Offer Supplement, for the other terms (including procedure) for this Offer.
Governing Law	The ASEAN Green Bonds will be issued pursuant to the laws of the Republic of the Philippines.
Issue Rating	The ASEAN Green Bonds are rated PRS Aa with a Stable Outlook by Philippine Rating Services Corporation.
Green Finance Framework Second Party Opinion Provider	Vigeo Eiris
Sole Issue Manager	BDO Capital & Investment Corporation
Joint Lead Underwriters and Joint Bookrunners	BDO Capital & Investment Corporation PNB Capital and Investment Corporation
Green Structuring Adviser	ING Bank N.V., Manila Branch
Trustee	Philippine National Bank - Trust Banking Group
Registrar and Paying Agent	Philippine Depository and Trust Corporation

Counsel to the Issuer	SyCip Salazar Hernandez & Gatmaitan
Counsel to the Joint Lead Underwriters and Joint Bookrunners	Romulo Mabanta Buenaventura Sayoc & de los Angeles

Risk Factors

General Risk Warning

An investment in the ASEAN Green Bonds 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 ASEAN Green Bonds. 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 ASEAN Green Bonds to decline. All or part of an investment in the ASEAN Green Bonds 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 on the trading of these securities before commencing any trading activity. Investors may request publicly-available information on the ASEAN Green Bonds and ALCO from the SEC and PSE.

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 Offer Supplement 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 Offer Supplement. 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.

Investors should carefully consider all the information contained in this Offer Supplement and the Prospectus including the risk factors described below, before deciding to invest in the ASEAN Green Bonds. 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

The recent COVID-19 global pandemic has had and is expected to continue to have an adverse effect on the Company's business and results of operations.

COVID-19, an infectious disease that was first reported to have been transmitted to humans in late 2019, has spread globally over the course of 2020, and in March 2020 it was declared as a pandemic by the World Health Organization. As of September 2022, there had been about 627 million confirmed cases in the world, as reported to the World Health Organization. All the countries and territories where the Company operates business have reported confirmed cases and have taken measures in varying degrees to contain the spread, including social distancing measures, community quarantine, suspension of operations of non-essential businesses and travel restrictions.

As a result of the COVID-19 pandemic, the Company experienced temporary closures of its active construction sites, suspension of its sales events, temporary closure of its sales galleries and disruptions in obtaining the necessary labor, materials and supplies for its projects. On 13 September 2021, the Inter-Agency Task Force for the Management of Infectious Diseases ("**IATF**") has approved the guidelines for a new Alert Level and Granular System to be implemented in Metro Manila starting 16 September 2021. This new system replaces the previous quarantine classifications comprised of Enhanced Community Quarantine ("**ECQ**"), Modified Enhanced Community Quarantine ("**MECQ**"), General Community Quarantine ("**GCQ**") and Modified General Community Quarantine ("**MGCQ**"). Under the new guidelines, the quarantine classifications are composed of five Alert Levels that would determine the activities allowed in cities and/or municipalities. The Alert Level scheme is characterized as a more relaxed quarantine classification system considering that certain establishments are allowed to operate in limited capacities, age mobility restrictions are imposed, and certain privileges are granted to fully-vaccinated people. The new guidelines also authorize the city and municipal mayors to impose granular lockdowns with respect to their component barangays, including streets, villages, condominiums and other smaller specific areas in a city or town, which are tagged as critical zones or high-risk for COVID-19 by the local government unit.

As of the date of this Offer Supplement, Metro Manila and neighbouring areas have been placed under Alert Level 1, which is the least restrictive classification in the Alert Level System.

Apart from the direct adverse impact on the Company's business described above, the COVID-19 pandemic has also (i) adversely affected consumer confidence in general macroeconomic conditions and caused decreases in consumer purchasing power and consumer discretionary spending; (ii) may have caused disruptions in the delivery of equipment and materials by its contractors and third-party suppliers; (iii) disrupted the global supply chains of materials, facilities and other products through the effects of travel restrictions, quarantines, closure of factories and facilities, and political, social and economic instability; (iv) increased volatility or caused disruption of global financial markets and affected businesses' capabilities of accessing capital markets and other funding resources on favourable or acceptable terms; and (v) resulted in social instability. As the situation evolves, these indirect impacts may become more significant and could also have a severe adverse impact on the Company's results of operation and cash flow.

The COVID-19 pandemic highlighted the importance of ALCO's strong fundamentals which allowed the Company to effectively continue its operations in 2020 and 2021 even against the COVID-19 pandemic background. The Company's resilient response to the COVID-19 pandemic is anchored on five key points:

First, the Company was able to initiate the handover of its two biggest projects, Cebu Exchange and the North Tower of Savya Financial Center in April 2022 and January 2022 respectively in accordance with their pre-pandemic timelines. The Company was able to achieve this by building in sufficient flexibility in its timelines and by closely coordinating with its general contractors who are chosen from the top tier in the industry. In 2020 and 2021, a tremendous amount of work was done to ensure that the proper protocols are in place to support the safe re-opening of its construction sites, to bring back the required manpower and to maintain continuous supply of materials required to finish the projects.

Second, the Company continued high level of interest from buyers who valued the superior quality of the Company's products. The COVID-19 pandemic brought sustainability and wellness to the forefront in terms of features that buyers look for in choosing their workplaces and homes. The Company has benefited from this, given its focus on sustainability and wellness.

Third, 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 minimal default, cancellation rates and pre-termination rates across all its projects. As of August 31, 2022, the scheduled collections amounted to ₱7.393 billion and the actual collections amounted to ₱7.106 billion, resulting in a manageable default rate of 3.9% and which was lower than the default rate of 5.5% in the previous year.

Fourth, robust funding allowed the Company to maintain high levels of construction activities and to plan for longer timeline to close sales for all its projects. The Company was able to successfully complete a ₱5 billion capital raising program just before ECQ restrictions took effect in March 2020 and was able to complete the offer and listing of its ₱3 billion Series D preferred shares in December 2021. The Company likewise continued to obtain fresh funding for its projects due to the strong support from its banking partners which provided the necessary financing to ensure smooth operations during the pandemic.

Finally, the Company was able to take a long-term view towards property acquisition and new launches. During the COVID-19 pandemic, the Company was able to successfully launch Lucima, its upscale residential project in Cebu Business Park, as well as Una Apartments, the first of six residential apartments in Sevina Park which caters to the broader mid-scale market segment. The Company is also preparing to launch Eluria and Sevina Commercial lots within Q4 2022. By proceeding to launch these projects, the Company was able to secure a pipeline of projects that will contribute to its revenues going forward.

The extent to which the COVID-19 pandemic will continue to impact the Company will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in the Philippines and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which actions are highly uncertain and cannot be predicted. To the extent the COVID-19 pandemic adversely affects the business and financial results of the Company, it may also have the effect of heightening many of the other risks described in this Offer Supplement.

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 and ACPT and initiated handover of Cebu Exchange and the North Tower of 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 3, Project Olive, Project Midtown, Project JL and Project SL.

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 and ACPT. 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 the North Tower of 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 is expected to take advantage of the limited supply of comparable ultra-luxury residential developments in the Makati CBD and the favorable take up of Una Apartments within its first month of launch captured 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 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'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 and Courtyard Hall, recurring income will account for only a small portion 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.

With the completion of Cebu Exchange, however, ALCO designated 10,687 sqm of office and retail units in the project which were removed from its inventory of real estate for sale and reclassified to investment property to strengthen ALCO's recurring income base. The expected lease revenues from these retained units in Cebu Exchange, together with the established revenues from the existing lease contracts for ACPT are expected to cover ALCO's fixed overhead costs at the minimum and to mitigate the volatility to which ALCO's business is continuously exposed. 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. Our failure to maintain regulatory licenses and permits could materially and adversely affect our 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 ("**PD**

957”), 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. The issuance of the Company’s licenses and permits may also be delayed as a result of restrictions on movement imposed by the Government, such as those imposed under the Alert Level System. 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 endeavours 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 availability 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 2022, contractors generally included a larger allowance for movements in component parts due to foreign exchange fluctuations, among other factors.

In addition, ALCO has put in place a system for vetting the identities and credit standing of its potential buyers. ALCO's target market has broadly shown greater holding powerand has generally demonstrated flexibility in accessing alternative funding sources for their real estate purchases. As a result, ALCO's customers are less likely to default on their financial commitments notwithstanding an increase in interest rates.

ALCO also recently signed 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 million of the purchase price of their residential units with up to 30-year loans at fixed preferential rates that are as low as 4.5% pa on the condition that the project for which the units are purchased has attained EDGE certification. This is advantageous for ALCO's buyers given that ALCO's projects are designed to have sustainable features that meet the requirements for EDGE certification.

To mitigate risks due to foreign exchange fluctuations, ALCO has increased the assumptions for contingencies in its plans.

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

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

However, the Company has already secured the required land bank that will allow it to achieve about five-fold growth in its development portfolio by 2024. The Company is likewise in the advanced stage of negotiating to complete the acquisition of properties for its Project Olive and has initiated discussions for the acquisition of the properties for the Project Midtown, Makati CBD Residential 3 Project, Project JL and Project SL. 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.

Further, the Company also benefits from being regarded highly by existing customers and partners. ALCO is constantly being approached by landowners to be 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.

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" on page [182].)

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 follow strictly the guidelines of the 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" on page [253].)

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 experience 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 both 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 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 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 fast-paced growth of this industry in the past five years as well as its prospects for the next five to ten years in Metro Manila 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.

ALCO has a very rigid credit approval system to ensure that its buyers are financially capable of meeting their payment schedules. It evaluates the credit worthiness of prospective buyers and 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. In addition, the Company notes that the effect of work from home requirements issued by the Fiscal Incentives Review Board and/or PEZA did not have a significant impact on ALCO's business.

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 14 February 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 25 October 2018 and 8 February 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 1 January 2018, borrowing costs and connection fees are excluded in determining POC.

On 19 December 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 percentage of completion (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.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS and PIC issuances are not expected to have any material effect on the consolidated financial statements of the group. However, the Company notes that the change in the accounting standards in relation to the capitalization of borrowing costs may result in timing differences in the charging of borrowing costs to expense in the P&L. The Company continues to assess the impact of this change to its financial results and will conduct a thorough review of its contracts with customers to determine proper application of the new standards and reasonably plan to safeguard the interests of the prospective holders of the ASEAN Green Bonds.

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.

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 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 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 Offer Supplement, 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, the Sevina Park Villas are designed to be home automation ready, enabling the resident to control climate and electrical appliances remotely should the tenant wish to install these features. The Sevina Park will likewise have a centralized command center for safety and security throughout the estate.

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 and during the COVID-19 pandemic:

	Sales Cancellations	
	Value (in ₱ Millions)	Percentage (%)
Pre-COVID-19 Pandemic (as of 31 December 2019)	534	5.1%
During COVID-19 Pandemic (as of 31 December 2021)	929	5.5%
During COVID-19 Pandemic (as of August 31, 2022)	498	2.5%

Cancellations during the COVID-19 pandemic as of 31 December 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 31 December 2019 which amounted to about ₱534 million, representing approximately 5.1% of the value reservation sales contracts. As of 31 August 2022, cancellations amounted to ₱498 million, representing approximately 2.5% of the value of total reservation sales. This rate is an improvement from the cancellations experienced as of 31 December 2021.

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 Philippine Economic Zone Authority as an Ecozone Facilities Enterprise at the E-Square Information Technology Park, where ACPT is located, 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 26 March 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 11 April 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 1 July 2020 - The imposition of the minimum corporate income tax ("**MCIT**") was reduced from 2% to 1% from 1 July 2020 to 30 June 2023. The MCIT will revert to 2% beginning 1 July 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 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 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 26 June 2021 immediately upon its publication in a newspaper of general circulation, the 2020 Investment Priorities Plan promulgated under Memorandum Order No. 50 dated 18 November 2020 will serve as the SIPP until a new one is approved by the President.

Under the CREATE Law, ACPT 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 that allow its tenants to enjoy savings in operating costs. These will allow ACPT to maintain its competitive advantage over other buildings despite the implementation of the CREATE Law.

On 9 September 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**"). 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.

RISKS RELATING TO THE PHILIPPINES

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 lifting of restrictions following strict lockdown measures that were implemented at the height of the COVID-19 pandemic. The country's gross domestic product registered growth of 8.3% and 7.4% in the first and second quarters of 2022 respectively indicating a recovery from the 3.8% contraction registered in the first quarter of 2021. The World Bank expects the Philippine economy to grow by 5.7% while the current administration's economic team indicated a growth target band of between 6.5% to 7.5% for full year 2022. The recovery, however, is set against global headwinds including high inflation, supply chain disruptions due to varying levels of COVID-19 restrictions, and general tightening of monetary policy that is experienced in several economies worldwide. In the Philippines, domestic headline inflation was at 6.1% as of June 2022., The average inflation rates are expected to be outside the BSP's target range of 2% to 4% until the second quarter of 2023. The BSP increased policy rates by 50 bps in August 2022 and by another 50 bps in

September 2022 in response to the high inflation and may increase it further before year-end to further curb the effects of high inflation.

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. Considering the foregoing, the Company cannot provide assurance of effective mitigation to the above-discussed systemic risks.

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.

In addition, the Philippine national and local elections were recently conducted throughout the Philippines on May 9, 2022.

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. The Company cannot provide assurance of effective mitigation of such political instability.

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, and in July 2022, a 7.0-magnitude earthquake occured in Tayum, Abra. 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, thereby minimizing 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. As of 5 October 2022, 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. The Company cannot provide assurance of effective mitigation to such systemic risk.

RISKS RELATING TO THE ASEAN GREEN BONDS

An active or liquid trading market for the ASEAN Green Bonds may not develop

The Philippine securities markets are substantially smaller, less liquid and more concentrated than major securities markets. The Company cannot guarantee that the market for the ASEAN Green Bonds will always be active or liquid. Even if the ASEAN Green Bonds are listed on the PDEx, trading in securities such as the ASEAN Green Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets, and the overall market for debt securities among other factors. There is no assurance that the Securities may be easily disposed at prices and volumes at instances best deemed appropriate by their holders.

The period for the Company to fully realize the benefits resulting from the use of proceeds of the ASEAN Green Bonds may extend beyond the relevant maturity date

The Company may only reap the benefits resulting from the use of proceeds of the ASEAN Green Bonds after the ASEAN Green Bonds have matured. As a result, the Company may need to utilize its internally generated cash from other projects or external financing to service and repay the ASEAN Green Bonds.

Holders of the ASEAN Green Bonds may face possible gain or loss if the ASEAN Green Bonds are sold at the secondary market.

As with all fixed income securities, the ASEAN Green Bonds' market values increase or decrease depending on the change in interest rates. The ASEAN Green Bonds when sold in the secondary market are worth more if interest rates decrease since the ASEAN Green Bonds have a higher interest rate relative to the market. Likewise, if the prevailing interest rate increases, the ASEAN Green Bonds are worth less when sold in the secondary market. Therefore, holders may either make a gain or incur a loss when they decide to sell the ASEAN Green Bonds.

The ASEAN Green Bonds may not be able to retain its credit rating

There is no assurance that the rating of the ASEAN Green Bonds will be retained throughout the life of the ASEAN Green Bonds. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization. However, the Company mitigates this risk by ensuring diligent application of its strategies and constant monitoring of operations.

Bondholders may incur a loss if the Company is unable to redeem the ASEAN Green Bonds at the relevant maturity date.

At maturity, the Company will be required to redeem all of the ASEAN Green Bonds. The Company may not have sufficient cash in hand and may not be able to arrange financing to redeem the ASEAN Green Bonds in time, or on acceptable terms, or at all. The ability to redeem the ASEAN Green Bonds may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem the ASEAN Green Bonds by the Company would constitute an event of default under the ASEAN Green Bonds, which may also constitute a default under the terms of other indebtedness of the Company

However, the Company mitigates this risk by ensuring diligent application of its strategies and constant monitoring of its cash position to allow for the redemption of the ASEAN Green Bonds on maturity date.

The ASEAN Green Bonds have no Preference under Article 2244(14) of the Civil Code and may be Subordinated to other Debt

Under Philippine Law, if a borrower submits to insolvency or liquidation proceedings, certain claims, secured obligations, and obligations evidenced by a public instrument enjoy preference over unsecured obligations such as the ASEAN Green Bonds. As regards the preference created by ALCO's secured loan obligations, where ALCO's assets are collateralized, this is mitigated by ALCO's Negative Pledge covenant, subject to certain exceptions, under the Trust Agreement.

On the other hand, the preference created by a public instrument is mitigated by ALCO's covenant in the Trust Agreement that no other loan or other debt facility currently or to be entered into by the Issuer shall have preference of priority over the ASEAN Green Bonds as accorded to public instruments under Article 2244(14) of the Civil Code of the Philippines, and all banks and lenders under any such loans or facilities that are notarized have waived the right to the benefit of any such preference or priority. However, should any bank or security holder hereinafter have a preference or priority over the ASEAN Green Bonds as a result of notarization, then the Issuer shall at the Issuer's option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the ASEAN Green Bonds as may be practicable.

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 ASEAN Green Bonds at the Redemption Price, as described in ''Terms of the Offer" of this Offer Supplement for the ASEAN Green Bonds, and the relevant Offer Supplement for the succeeding tranches of the ASEAN Green Bonds. At the time of redemption, interest rates may be lower than at the time of the issuance of the ASEAN Green Bonds and, consequently, the holders of the ASEAN Green Bonds may not be able to reinvest the proceeds at a comparable interest rate or purchase securities otherwise comparable to the ASEAN Green Bonds.

There is no guarantee that the ASEAN Green Bonds will be listed

The Company shall file an application for the listing of each Tranche of the ASEAN Green Bonds as they are issued on the PDEx but cannot guarantee that the ASEAN Green Bonds will be listed on its target listing date as indicated in this Offer Supplement.

Each Tranche of the ASEAN Green Bonds will be listed subject to PDEx's approval of the Company's listing applications.

The ASEAN Green Bonds may not be a suitable investment for all investors seeking exposure to green assets.

The Company may issue the ASEAN Green Bonds where the use of proceeds is specified to be for the financing and/or refinancing of specified "green" or "sustainability" projects of the Company or any of its subsidiaries, in accordance with certain prescribed eligibility criteria.

In connection with an issue of the ASEAN Green Bonds, the Company may request a sustainability rating agency or sustainability consulting firm to issue an independent opinion (a "**Compliance Opinion"**) confirming that any ASEAN Green Bonds are in compliance with the Green Bond Principles prepared and published by the International Capital Market Association (the "**ICMA Green Bond Principles**") and the ASEAN Capital Markets Forum (the "**ASEAN Green Bond Standards 2018**"). The ICMA Green Bond Principles and ASEAN Green Bond Standards 2018 are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market. While the ICMA Green Bond Principles and ASEAN Green Bond Standards 2018 do provide a high level framework, there is currently no market consensus on what precise attributes are required for a particular project to be defined as "green" or "sustainable", and therefore no assurance can be provided to potential investors that the green or sustainable projects to be specified in the use of proceeds will meet all investors' expectations regarding sustainability performance or continue to meet the relevant eligibility criteria. Although applicable green projects are expected to be selected in accordance with the categories recognized by the ICMA Green Bond Principles and ASEAN Green Bond Standards 2018, and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operation of any such green or sustainable projects. Where any negative impacts are sufficiently not mitigated, green or sustainable projects may become controversial, and/or may be criticized by activist groups or other stakeholders.

Potential investors should be aware that any Compliance Opinion will not be incorporated into, and will not form part of, this Offer Supplement. Neither such Compliance Opinion will not reflect the potential impact of all risks related to the structure of the ASEAN Green Bonds, their marketability, trading price or liquidity or any other factors that may affect the price of value of the ASEAN Green Bonds. Any such Compliance Opinion nor the SEC Confirmation is not a recommendation to buy, sell or hold securities and is only current as of date of issue. Prospective investors must determine for themselves the relevance of any such Compliance Opinion, the SEC Confirmation, and/or the information contained therein and/or the provider of the Compliance Opinion for the purpose of any investment in the ASEAN Green Bonds. Currently, the providers of such compliance opinions are not subject to any specific regulatory or other regime or oversight.

Further, although the Company may agree at the Issue Date of the ASEAN Green Bonds to certain allocation and/or impact reporting and to use the proceeds for financing and/or refinancing of green or sustainable projects (as specified in the Use of Proceeds), it would not be an event of default under the ASEAN Green Bonds if (i) the Company were to fail to comply with such obligations or were to fail to use the proceeds in the manner specified in the Terms and Conditions, (ii) the Company were to fail to comply with the provisions of Company's Green Finance Framework, or the SEC Memorandum Circular No. 12 (2018), and/or (iii) the Compliance Opinion were to be withdrawn. Any failure to use the net proceeds of any ASEAN Green Bonds in connection with green or sustainable projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such ASEAN Green Bonds may affect the value and/or trading price of the ASEAN Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets which may cause one or more of such investors to dispose of the ASEAN Green Bonds held by them which may affect the value, trading price and/or liquidity of the relevant ASEAN Green Bonds.

Neither the Company nor the Joint Lead Underwriters and Joint Bookrunners make any representation as to the suitability for any purpose of any Compliance Opinion or whether any ASEAN Green Bonds fulfil the relevant environmental and sustainability criteria. Prospective investors should have regard to the eligible green bond projects and eligibility criteria described in the applicable Use of Proceeds. Each potential investor of the ASEAN Green Bonds should determine for itself the relevance of the information contained in this Offer Supplement, or the relevant Offer Supplement for succeeding tranches of the

ASEAN Green Bonds, and its purchase of any ASEAN Green Bonds should be based upon such investigation as it deems necessary.

In the event that any such ASEAN Green Bonds are listed or admitted to trading on any dedicated "green", "environmental", "sustainable", or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Company, the Joint Lead Underwriters and Joint Bookrunners or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects (as defined in the Company's Green Finance Framework). Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuers, the Joint Lead Underwriters and Joint Bookrunners or any other person that any such listing or admission to trading will be obtained in respect of any such Instruments or, if obtained, that any such listing or admission to trading will be maintained during the life of the ASEAN Green Bonds.

Use of Proceeds

The Company estimates that the net proceeds from the Offer shall amount to approximately ₱2.9 billion, after fees, commissions and expenses. Estimated fees, commissions and expenses relating to the Offer are as follows:

Estimated Gross Proceeds from the Offer	**₱3,000,000,000.00**
Underwriting and Selling Fees	14,210,526.32
Documentary Stamp Taxes to be paid by the Company	22,500,000.00
Philippine SEC filing and legal research fees	1,325,625.00
PDEX listing and processing fees	100,000.00
Legal and other professional fees	15,695,539.47
Other expenses	1,500,000.00
Total Estimated Expenses	55,331,690.79
Estimated net proceeds	**2,944,668,309.21**

The item "Other Expenses" includes expenses for the printing of this Offer Supplement, roadshows and miscellaneous expenses.

Aside from the fees enumerated above, the Issuer will be paying the following estimated recurring fees related to the ASEAN Green Bonds:

1. The Issuer will be charged by PDEx for the first annual maintenance fee in advance upon approval of the listing, and thereafter, the Issuer will pay PDEx an annual maintenance listing fee amounting to ₱300,000 (VAT exclusive) *per annum*;

2. The Issuer will pay an annual retainer fee to the Trustee amounting to ₱400,000 (net of tax) *per annum*;

3. After the Issue Date, a paying agency fee amounting to approximately ₱360,000 is payable every Interest Payment Date. The Registrar will charge a monthly maintenance fee based on the face value of the ASEAN Green Bonds and number of Bondholders; and

4. The Issuer will pay an annual monitoring fee of ₱504,000.00 (VAT-inclusive) to PhilRatings.

Expenses incurred in connection with the offering of the securities, including documentary stamp tax, fees of the Trustee, and the Registrar and Paying Agent will be for the account of the Issuer.

ALCO'S Green Finance Framework

The proceeds of the Offer, after deducting fees, commissions and other related expenses will be used in accordance with ALCO's Green Finance Framework under which ALCO can issue debt financing instruments to finance or refinance new and/or existing eligible green projects promoting environmental progress (the "**Eligible Green Projects**").

ALCO's Green Finance Framework outlines the criteria and guidelines for the allocation of proceeds of green financing instruments as per the following standards:

- International Capital Market Association ("ICMA") Green Bond Principles 2018
- ASEAN Capital Markets Forum ASEAN Green Bond Standards 2018
- Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association Green Loan Principles 2018

Under ALCO's Green Finance Framework, a portfolio of Eligible Green Projects qualifies uses of proceeds for as long as these meet minimum eligibility requirements which include the following standards for the development of new buildings, acquisition and renovation of completed buildings (commercial and residential) compliant with any of the following standards:

- LEED -Gold or higher
- BERDE - 4-star or higher
- IFC's EDGE - EDGE Certified or EDGE Compliant
- Building Research Establishment Environmental Assessment Method (BREEAM) – Excellent or higher, Global Real Estate Sustainability Benchmark (GRESB), and other equivalent standards

New and existing commercial and residential buildings that belong to the top 15% of low carbon buildings in their respective category and local context also qualify as Eligible Green Projects.

Vigeo Eiris, an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organizations, provided the second party opinion on ALCO's Green Finance Framework. Vigeo Eiris undertakes risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organizations. With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Brussels, Milan, Montreal, Hong Kong, Casablanca, Rabat and Santiago.

In the Second Party Opinion issued by Vigeo Eiris, ALCO's Green Finance Framework is aligned with is aligned with the four core components of the ICMA's Green Bond Principlaes (2018) and Green Loan Principles (2018), and with the ASEAN Green Bond Standards developed by the EMEA Loan Market Association and the Asia Pacific Loan Market Association (revised in December 2018) and with the ASEAN Green Bond Standards (2018). Vigeo Eiris has expressed a reasonable assurance (the highest level of assurance) on ALCO's commitments and on the contribution of the contemplated financial instruments to sustainability.

A copy of ALCO's Green Finance Framework and Vigeo Eiris' Second Party Opinion is available at https://www.arthaland.com.ph/investor-relations/other-disclosures-including-sec-17c.

ALCO will report to the investors on an annual basis until full allocation, and as necessary in the event of material developments, (a) a list of the Eligible Green Projects; (b) brief description of the projects; and (c) the amounts allocated and their expected impact. A copy of ALCO's Green Finance Framework, the annual report on the use of proceeds, and the external review of the annual report on the use of proceeds will be made available at the link provided above.

Use of Net Proceeds

For this Offer, ALCO has identified the Makati CBD Residential Project 1, Makati CBD Residential Project 3, Project JL, Project Midtwon and Arthaland Century Pacific Tower as Eligible Green Projects. ALCO has determined that the combined value of these Eligible Green Projects on ALCO 's balance sheet supports the issuance of the ASEAN Green Bonds under this Offer.

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

Purpose	Estimated Amount (In ₱)	Disbursement Schedule
To fund additional investment by ALCO into Zileya to develop the Makati CBD Residential Project 1	600,000,000.00	Q1 2023 to Q3 2023
To fund the required investment from ALCO into a project company that will acquire and develop the property for the following projects:		
Makati CBD Residential Project 3	450,000,000.00	Q4 2022
Project JL	500,000,000.00	Q2 2023 to Q3 2023
Project Midtown	1,000,000,000.00	Q2 2023 to Q2 2025
To partially fund scheduled repayments of the loan with 5.8081% per annum interest due 8 July 2025 that financed the construction and development of ACPT	394,668,309.21	Q1 2023 to Q1 2024
TOTAL	**2,944,668,309.21**	

Required investment from ALCO to acquire properties for Makati CBD Residential Project 3, Project JL and Project Midtown

ALCO is negotiating for the acquisition of the following:

- A 1,000 sqm property located in Makati CBD for the Makati CBD Residential Project 3. Once acquired, ALCO plans to develop this into a luxury residential condominium tower that will qualify as Eligible Green Project.

- A 3,700 sqm property located in a prime CBD in Metro Manila for Project JL. Once acquired, ALCO plans to develop this into a two-tower residential condominium project that will be positioned to cater to the broader midscale market segment and that will qualify as Eligible Green Project.

- A 2.35-hectare property located in the middle of a prime city center area in southern Philippines for Project Midtown. Once acquired, ALCO plans to develop this into a sustainable master planned development with residential, commercial and retail components that will qualify as Eligible Green Project.

As with its other projects, ALCO plans to undertake these projects with a joint venture partner to fully fund the equity requirement and to manage the risks associated with their development. In addition to the equity from ALCO and its strategic partners, Makati CBD Residential Project 3, Project JL and Project Midtown will also be funded by term loans and pre-selling of units. To fund its estimated required investment for the acquisition of the properties for the Makati CBD Residential Project 3, Project JL and Project Midtown, ALCO is allocating ₱450 million, ₱500 million and ₱1 billion, respectively, from the proceeds of the Offer and estimates that these amounts will be disbursed between Q4 2022 and Q2 2025.

These projects are still in the evaluation stage and there are no definitive agreements entered into or signed yet. Should the negotiations not progress or close as planned, project cost and schedule would be subject to change. ALCO will disclose any changes in the planned use of proceeds in accordance with the disclosure rules of the SEC and the PSE.

To ensure that the Makati CBD Residential Project 1, Makati CBD Residential Project 3, Project JL and Project Midtown qualify as Eligible Green Projects under ALCO's Green Finance Framework, ALCO commits to the following:

- Proceeds to be used to acquire the land is explicitly limited to the surface directly required for the "green building" acquisition or construction, i.e., including green building surface area and immediate surroundings (including required setback/easement/area to allow for access to the green building), and excluding land use not clearly related to the green buildings, or un-reasonable size of the acquired/financed lands considering the green building surface area;

- The below exclusion criteria regarding the use of proceeds to not acquire lands:
  - of high environmental value regarding biodiversity conservation or water resource conservation;
  - related to cultural heritage;
  - related to property rights material controversy or litigation;
  - related to slums dwellers eviction, if no strict respect of the guidance defined by the United Nations on this regard;

- To respect international standards for "institutional buildings" financed by the proceeds in terms of (i) user safety, and (ii) accessibility for disabled people; and

- To report transparently on the above-mentioned aspects, as well on the surface of land acquired, at least to the investors and annually, covering all the pool of assets financed by the proceeds.

Scheduled repayments on loan that funded ACPT

The Company plans to allocate the estimated balance of the net proceeds amounting to ₱394 million to partially fund scheduled repayments of the loan from BDO Unibank, Inc. dated 15 April 2015 (the "**ACPT Loan**") to finance the construction and development of the Arthaland Century Pacific Tower based on the schedule below:

2 January 2023	₱75,000,000.00
2 April 2023	₱75,000,000.00
2 July 2023	₱75,000,000.00
2 October 2023	₱169,668,309.21
TOTAL	**₱394,668,309.21**

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

BDO Capital, one of the Joint Lead Underwriters, is a subsidiary of BDO Unibank, Inc., which is the lender intended to be paid from a portion of the proceeds as discussed above.

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, PDEx and the Bondholders in writing at least thirty (30) days before such deviation, adjustment or reallocation is implemented.

Pending the above use of proceeds, the Issuer intends to invest the net proceeds from the ASEAN Green Bonds 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 amount allocated 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 any of the Joint Lead Underwriters or their respective parent banks.

Plan of Distribution

ALCO plans to issue the ASEAN Green Bonds to third party buyers / investors through a public offering to be conducted through the Joint Lead Underwriters.

The Joint Lead Underwriters of the Offer

BDO Capital and PNB Capital, pursuant to an Underwriting Agreement with ALCO dated [•] (the "**Underwriting Agreement**"), have agreed to act as the Joint Lead Underwriters and Joint Bookrunners for the Offer, while BDO Capital has agreed to act as the Sole Issue Manager. In such capacity, the Joint Lead Underwriters have agreed to distribute and sell the ASEAN Green Bonds at the Issue Price and have also committed to underwrite in total [up to] ₱3,000,000,000 of the Offer on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses.

For the Offer of ASEAN Green Bonds, the Joint Lead Underwriters will receive a fee of 0.45% on the principal amount of the ASEAN Green Bonds issued, which is inclusive of the fee to be ceded to any co-lead manager [and/or selling agents] in accordance with the terms of the Underwriting Agreement. Such fee shall be inclusive of underwriting and participation commissions. The commitments of the Joint Lead Underwriters are as follows:

Joint Lead Underwriter	Underwriting Commitment
BDO Capital	[₱1,500,000,000.00]
PNB Capital	[₱1,500,000,000.00]
Total	[₱3,000,000,000.00]

There is no arrangement for the Joint Lead Underwriters to return any unsold portion ASEAN Green Bonds to ALCO. The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to ALCO of the net proceeds of the ASEAN Green Bonds.

The Joint Lead Underwriters are duly licensed by the SEC to engage in underwriting or distribution of the ASEAN Green Bonds. The Joint Lead Underwriters may, from time to time, engage in transactions with and perform services in the ordinary course of its business for ALCO. The Joint Lead Underwriters have no direct relations with ALCO in terms of ownership by either of their respective major stockholder/s.

Sale and distribution

The distribution and sale of the ASEAN Green Bonds shall be undertaken by the Joint Lead Underwriters who shall sell and distribute the ASEAN Green Bonds to third party buyers/investors. Nothing herein shall limit the rights of the Joint Lead Underwriters from purchasing the ASEAN Green Bonds for their own respective accounts should there be any unsold ASEAN Green Bonds after the Offer Period.

For the purpose of complying with their respective commitments under the Underwriting Agreement, each Joint Lead Underwriter has, under such terms and conditions not inconsistent with the provisions of the Underwriting Agreement, appointed Co-Lead Managers for the sale and distribution to the public of the Offer Bonds.

Offer Period

The Offer Period shall commence at 9:00 a.m. on [•] and end at 5:00 p.m. on [•] or on such other date as the Issuer and Joint Lead Underwriters may agree upon.

APPLICATION TO PURCHASE

Applicants may purchase the ASEAN Green Bonds during the Offer Period by submitting to the Joint Lead Underwriters and Joint Bookrunners properly completed Applications to Purchase, whether originally signed or electronically submitted (through the e-Securities Issue Portal ("**E-SIP**") upon and subject to the E-SIP's approval by the SEC), together with all applicable supporting documentation in the prescribed form and submitted in the prescribed manner, with full payment of the purchase price of the ASEAN Green Bonds in the manner provided therein. Corporate and institutional applicants may also be required to submit, in addition to the foregoing:

- an original notarized certificate of the corporate secretary or an equivalent officer of the Applicant setting forth resolutions of the board of directors, partners or equivalent body (i) authorizing the purchase of the ASEAN Green Bonds indicated in the Application to Purchase and (ii) designating the signatories, with their specimen signatures, for the said purpose;
- copies of its Articles of Incorporation and By-Laws (or the Articles of Partnership, in case of a partnership) and latest amendments thereof, together with the Certificate of Incorporation issued by the SEC or other organizational documents issued by an equivalent government institution, stamped and signed as certified true copies by the SEC or the equivalent government institution, or by the corporate secretary, or by an equivalent officer(s) of the Applicant who is/are authorized signatory(ies);
- two (2) duly accomplished signature cards containing the specimen signatures of the authorized signatories of the Applicant, validated by its corporate secretary or by an equivalent officer(s) who is/are authorized signatory(ies);
- validly issued tax identification number issued by the BIR;
- identification document(s) of the authorized signatories of the Applicant, as specified in item (a) of the immediately succeeding paragraph below; and
- such other documents as may be reasonably required by any of the Joint Lead Underwriters and Joint Bookrunnersor the Registrar in the implementation of its internal policies regarding "know your customer" and anti-money laundering.

Individual applicants may also be required to submit, in addition to the accomplished Applications to Purchase and its required attachments:

- identification document ("**ID**") of the Applicant which shall consist of any one of the following valid identification documents bearing a recent photo, and which is not expired: Philippine Identification Card (PhilID), Passport, Driver's License, Professional Regulation Commission ID, National Bureau of Investigation Clearance, Police Clearance, Postal ID, Voter's ID, Barangay Certification, Government Service Insurance System e-Card, Social Security System Card, Senior Citizen Card, Overseas Workers Welfare Administration ID, OFW ID, Seaman's Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and government-owned and controlled corporation ID, e.g., Armed Forces of the Philippines, Home Development Mutual Fund, Certification from the National Council for the Welfare of Disabled Persons, Department of Social Welfare and Development Certification, Integrated Bar of the Philippines ID, company IDs issued by private entities or institutions registered with or supervised or regulated either by the BSP, the SEC or the Insurance Commission, or school ID duly signed by the principal or head of the school (for students who are beneficiaries of remittances/fund transfers who are not yet of voting age);
- two (2) duly accomplished signature cards containing the specimen signature of the Applicant;
- validly issued tax identification number issued by the BIR; and

- such other documents as may be reasonably required by any of the Joint Lead Underwriters and Joint Bookrunnersor the Registrar in implementation of its internal policies regarding “know your customer” and anti-money laundering.

An investor (which is referred to below as “Bondholder” (which term, for purposes of this section, includes an Applicant)) who is claiming exemption from the aforesaid withholding tax, or that it/he/she is subject to a preferential withholding tax rate shall be required to submit the following requirements, subject to acceptance by the Issuer as being sufficient in form and substance:

(a) BIR-certified true copy of a valid, current, and subsisting tax exemption certificate, ruling or opinion issued by the BIR and addressed to the Bondholder, confirming its/his/her exemption or its/his/her entitlement to the preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and for tax-exempt Personal Equity Retirement Account (“**PERA**”) established pursuant to PERA Act of 2008, a certified true copy of the Bondholder’s current, valid and subsisting Certificate of Accreditation as PERA Administrator;

(b) with respect to tax treaty relief, the Issuer may apply the preferential tax treaty rate on the interest income of the non-resident foreign Bondholder by relying on the submission by such Bondholder of the following documents before the interest income is paid or, if the Bondholder is a fiscally transparent entity, on the submission of each of the Bondholder’s owners or beneficiaries:

    (i) a duly signed and executed application form for tax treaty purposes (BIR Form 0901-I (Tax Treaty Relief Application for Interest Income)) or if the Bondholder is a fiscally transparent entity, the following must also be attached to the duly signed and executed BIR Form 0901-I: (a) a copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity; (b) list of owners/beneficiaries of the foreign entity; and (c) proof of ownership of the foreign entity, in the form acceptable for recognition under Philippine laws;

    (ii) an authenticated or apostilled tax residency certificate/s (TRCs) duly issued by the relevant foreign tax authority in favour of the Bondholder, or if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder’s owners or beneficiaries, in the form acceptable for recognition under Philippine laws, and which should be updated for such relevant years as required under existing Philippine tax rules and regulations and/or the terms and conditions in the BIR approval document/s;

    (iii) the relevant provision of the applicable tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer; and

    (iv) one original of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder’s owners or beneficiaries, as may be applicable, in favour of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder’s owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief.

Failure to submit these documents will lead to withholding using the regular tax rates prescribed under the Tax Code, as amended, for non-resident foreign corporations or non-resident aliens not engaged in trade or business in the Philippines, as the case may be, and not the treaty rate.

If the tax treaty rate was applied by the Issuer based on the representations and supporting documents provided by the Bondholder, the Bondholder (either directly or through its duly authorized representatives) will file with the BIR's International Tax Affairs Division ("**ITAD**") a request for confirmation of the use of the tax treaty rate no later than the last day of the fourth month following the close of the relevant taxable year after the payment of the withholding tax with supporting documents specified in Revenue Memorandum Circular No. 14-2021 and in relation to Revenue Memorandum Order No. 77-2021 and its allied BIR issuances, as may be amended from time to time. In relation thereto, the Issuer requires that copies of the BIR-stamped "Received" request for confirmation (with the complete accompanying documents) be provided by the Bondholder to the Issuer within 60 days from the payment of the interest income to the Bondholder (either directly or through its duly authorized representatives), and without need of prior request or demand from the Issuer. The Bondholder shall submit to the Issuer the original of the Certificate of Entitlement to Treaty Benefit issued by the BIR within 10 days from the Bondholder's receipt of the Certificate of Entitlement to Treaty Benefit. The Bondholder shall ensure compliance with the requisites under the Certificate of Entitlement to Treaty Benefit for entitlement to the tax treaty benefits.

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 the BIR will require the Issuer to pay the deficiency taxes with penalties. In such case, the Bondholder, as the ultimate income earner, shall either advance to the Issuer or reimburse the Issuer, at the option of the Issuer, the total amount of deficiency taxes and penalties imposed by the BIR, as well as all other reasonable and necessary fees that may be incurred by the Issuer as a result of the denial of the BIR application.

In case the Issuer used the regular tax rate under the Tax Code, the non-resident foreign Bondholder may file a tax treaty relief application with ITAD after it has received the interest income with supporting documents specified in Revenue Memorandum Circular No. 14-2021 in relation to Revenue Memorandum Circular No. 77-2021. 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 Bondholder may apply for a refund of excess withholding tax with the BIR within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the Bondholder may be filed simultaneously with the tax treaty relief application.

(c) a duly notarized undertaking substantially in the form attached as Schedule 4 to the Registry and Paying Agency Agreement or in a form acceptable to the Issuer executed by:

(i) the Bondholder, or in respect of juridical entities (save for a universal bank which is covered by item (ii) below), the corporate secretary or any authorized representative of such Bondholder, who is in possession of the relevant exemption documents as its authorized custodian, or who has personal knowledge of the exemption or entitlement to preferential tax treatment and will have personal knowledge of any amendment, revocation, expiration, change or any circumstance affecting the validity of the exemption or preferential tax treatment, based on his official functions, if the Bondholder purchases or holds the ASEAN Green Bonds for its account, or

(ii) the trust officer, if the Bondholder is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the ASEAN Green Bonds pursuant to its management of tax-exempt entities (e.g., Employee Retirement Fund, etc.),

in each case:

(i) declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and Paying Agent:

a. of any suspension, revocation, amendment, or invalidation (in whole or in part) of the tax exemption or preferential rate entitlement certificate, ruling, or opinion issued by the BIR;

b. if there are any material changes in the factual circumstances of the Bondholder including but not limited to its character, nature, and method of operation, which are inconsistent with the basis of its income tax exemption or preferential rate entitlement; and/or

c. if there are any change of circumstance, relevant treaty, law or regulation or any supervening event that may or would result in the interest income of the ASEAN Green Bonds being ineligible for exemption or preferential tax rate; and

(ii) agreeing to indemnify and hold the Issuer, the Registrar 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;

provided, that in case of corporate, partnership or trust account investors, such investor shall also submit an original certification from the corporate secretary or an equivalent officer of the investor, setting forth the resolutions of its board of directors or equivalent body authorizing the execution of the undertaking and designating the signatories, with their specimen signatures, for the said purpose; and

(d) such other documentary requirements as may be reasonably required by the Issuer or the Registrar or Paying Agent, or as may be required under the applicable regulations of the relevant taxing or other authorities; provided, that, the Issuer 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 the Bondholders on the Interest payments to such Bondholders.

Unless properly provided with satisfactory proof of the tax-exempt status or entitlement to preferential rates of an Applicant or a Bondholder, each of the Issuer and the Registrar and Paying Agent may assume that such Applicant or Bondholder is taxable and proceed to apply the tax due on the ASEAN Green Bonds. Notwithstanding the submission by the Applicant or Bondholder, or the receipt by the Issuer or any of its agents, of documentary proof of the tax-exempt status or entitlement to preferential rates of an Applicant or a Bondholder, the Issuer may require the Registrar and Paying Agent to proceed to apply the tax due on the ASEAN Green Bonds. Any question on such determination shall be referred to the Issuer.

Unless otherwise indicated above, the foregoing requirements shall be submitted, (i) in respect of an initial issuance of Bonds, upon submission of the Application to Purchase to any of the Joint Lead Underwriters who shall then forward the same to the Registrar; or (ii) in respect of a transfer from a Bondholder to a purchaser, through the intermediary to the Registrar upon submission of the Investor Registration Form (in a form attached to the Registrar and Paying Agency Agreement) and other applicable account opening documents, in accordance with the procedures of the Registrar. A selling or purchasing Bondholder claiming tax-exempt status or preferential tax rate is required to submit, together with the account opening documents submitted to the Registry, the documents described above.

Failure on the part of the Bondholder to submit the aforementioned document/s within the time prescribed shall result in the application of the regular tax rates.the ASEAN Green Bonds

Completed Applications to Purchase and corresponding payments must reach the Joint Lead Underwriters prior to the end of the Offer Period, or such earlier date as may be specified by the Joint Lead Underwriters. Acceptance by the Joint Lead Underwriters of the completed Application to Purchase shall be subject to the availability of the ASEAN Green Bonds and the acceptance by ALCO. In the event that any check payment is returned by the drawee bank for any reason whatsoever, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase is deemed revoked.

Tax-Exempt Status or Entitlement to Preferential Tax Rate

An investor who is exempt from withholding tax under the Tax Code, or is subject to a preferential withholding tax rate under an applicable tax treaty, shall be required to submit to the Joint Lead Underwriters or selling agents (if any) or to the Registrar, as applicable, subject to acceptance by the Issuer the requirements discussed above and on page [249] under the section “Taxation”.

Minimum Purchase

A minimum purchase of ₱50,000.00 shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of ₱10,000.00.

Allotment of the ASEAN Green Bonds

If the ASEAN Green Bonds are insufficient to satisfy all Applications to Purchase, the available ASEAN Green Bonds shall be allotted at the discretion of the Joint Lead Underwriters, in consultation with the Issuer and subject to ALCO’s right of rejection.

Refunds

If any application is rejected or accepted in part only, the application money or the appropriate portion thereof shall be returned without interest to such applicant through the Joint Lead Underwriters from whom such application to purchase the ASEAN Green Bonds was made.

With respect to an Applicant whose application was rejected, refund shall be made without interest by the relevant Joint Lead Underwriter by making the check payment of the Applicant concerned available for his retrieval. With respect to an Applicant whose application has been scaled down, refund shall be made by the issuance by the relevant Joint Lead Underwriter of its own check payable to the order of the Applicant and crossed ''Payees' Account Only'' corresponding to the amount in excess of the accepted Application. All checks shall be made available for pick up by the Applicant concerned at the office of the relevant Joint Lead Underwriter to whom the rejected or scaled down Application was submitted within ten (10) Banking Days after the last day of the Offer Period.

Unclaimed Payments

Any payment of interest on, or the principal of the ASEAN Green Bonds which remain unclaimed after the same shall have become due and payable, shall be held in trust by the Paying Agent for the Bondholders at the latter's risk.

Purchase and Cancellation

The Issuer may at any time purchase any of the ASEAN Green Bonds in the open market or by tender or by contract at market price, without any obligation to purchase (and the Bondholders shall not be obliged to sell) the ASEAN Green Bonds pro-rata from all Bondholders. Any ASEAN Green Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the ASEAN Green Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

Secondary Market

ALCO intends to list the ASEAN Green Bonds on the PDEx. ALCO may purchase the ASEAN Green Bonds at any time in the PDEx trading system without any obligation to make pro-rata purchases of ASEAN Green Bonds from all Bondholders.

Register of Bondholders

The ASEAN Green Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the ASEAN Green Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Beneficial title to the ASEAN Green Bonds shall be shown in the Register of Bondholders to be maintained by the designated registrar for the ASEAN Green Bonds. Initial placement of the ASEAN Green Bonds and subsequent transfers of interests in the ASEAN Green Bonds shall be subject to applicable Philippine selling restrictions prevailing from time to time. The Issuer will cause the Register of Bondholders to be kept at the specified office of the Registrar. The names and addresses of the Bondholders and the particulars of the ASEAN Green Bonds held by them and of all transfers of ASEAN Green Bonds shall be entered in the Register of Bondholders.

Determination of Offering Price

The ASEAN Green Bonds shall be issued on a fully paid basis and at an issue price that is at par.

For the 5-Year ASEAN Green Bonds, the interest rate of the 5-Year ASEAN Green Bonds was based on the 3-day average of the 5-year BVAL, as published on the relevant page of Bloomberg at approximately 5:00 pm (Philippine Standard Time), ending on and including the pricing date, plus a spread of [•] basis points.

For the 7-Year ASEAN Green Bonds, the interest rate of the 7-Year ASEAN Green Bonds was based on the 3-day average of the 7-year BVAL, as published on the relevant page of Bloomberg at approximately 5:00 pm (Philippine Standard Time), ending on and including the pricing date, plus a spread of [•] basis points.

Various conditions have been taken into account in the final interest rate of the ASEAN Green Bonds, including but not limited to market conditions, concurrent offerings of fixed income securities, and the credit rating of the ASEAN Green Bonds.

Description of the ASEAN Green Bonds

Set forth below are additional information relating the ASEAN Green Bonds. The following discussion should be read together with, and is qualified in its entirety by reference to, the additional information appearing elsewhere in this Offer Supplement, including, but not limited to, the Articles of Incorporation and By-Laws of the Company (each as amended to date), the Trust Agreement, the Registry and Paying Agency Agreement, the other Bond Agreements, and applicable laws and regulations.

This description of the terms and conditions of the ASEAN Green Bonds set forth herein does not purport to be complete and is qualified in its entirety by reference to the agreements relating to the ASEAN Green Bonds, copies of which are available for inspection at the offices of the Trustee. The terms and conditions set out in this section will, subject to amendment, be set out in the Trust Agreement between the Issuer and the Trustee.

The ASEAN Green Bonds are constituted by a Trust Agreement executed on [●] between the Issuer and the Trustee. The description of the terms and conditions of the ASEAN Green Bonds set out below ("**Terms and Conditions**") includes summaries of, and is subject to, the detailed provisions of the Trust Agreement, the Registry and Paying Agency Agreement executed on [●] between the Issuer and the Registrar and Paying Agent, and the Application to Purchase.

PDTC has no interest in or relation to ALCO which may conflict with its roles as Registrar and Paying Agent for the Offer. Philippine National Bank – Trust Banking Group has no interest in or relation to ALCO which may conflict with its role as Trustee for the Offer.

Copies of the Trust Agreement and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar. The holders of the ASEAN Green Bonds whose name appears, at any relevant time, as the registered owner of the ASEAN Green Bonds in the Registry of Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Agreement and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement and the Application to Purchase applicable to them.

1. Form, Denomination and Title

(a) Form and Denomination

The ASEAN Green Bonds shall be issued in scripless form, in denominations of ₱50,000.00 each, as a minimum, and in multiples of ₱10,000.00 thereafter and traded in denominations of ₱10,000.00 in the secondary market.

(b) Title

The beneficial interest to the ASEAN Green Bonds shall be shown on and recorded in the Register of Bondholders maintained by the Registrar. A notice confirming the principal amount of the ASEAN Green Bonds purchased by each applicant in the Offering shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the ASEAN Green Bonds shall pass by recording the transfer from a transferor to the transferee in the Register of Bondholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the ASEAN Green Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

(c) ASEAN Green Bond Rating

The ASEAN Green Bonds have been assigned an issue credit rating of PRS Aa with a Stable Outlook from the Philippine Rating Services Corporation ("**PhilRatings**"). PhilRatings has also maintained the Issue Credit Rating of PRS Aa, with a Stable Outlook, for the company's outstanding Bonds amounting to ₱3.0 billion. Obligations rated **PRS Aa** are of high quality and are subject to very low credit risk. The obligor's capacity to meet its financial commitment on the obligation is very strong. On the other hand, an Outlook is an indication as to the possible direction of any rating change within a one-year period and serves as further refinement of the assigned credit rating for the guidance of investors, regulators, and the general public. A **Stable Outlook** is assigned when a rating is likely to be maintained or to remain unchanged in the next twelve (12) months. The ratings and Outlook were assigned given the following key considerations: (1) highly recognized and has a good reputation in developing premium green certified buildings in the Philippines; (2) ability to grow and compete in its chosen niche, despite the presence of larger, more established competitors; (3) relatively manageable liquidity position in relation debt servicing; (4) healthy margins and sustained profitability; and (5) economic recovery and gradual pick up of the property sector.

PhilRatings' credit ratings are based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to ALCO and may change the ratings at any time, should circumstances warrant a change. The rating is subject to annual review, or more frequently as market developments may dictate, for as long as the relevant ASEAN Green Bonds are outstanding. After Issue Date, the Trustee shall monitor the compliance of the ASEAN Green Bonds with the regular annual reviews.

2. Transfer of the ASEAN Green Bonds

(a) Register of Bondholders

The Issuer shall cause the Register of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the ASEAN Green Bonds held by them and of all transfers of ASEAN Green Bonds shall be entered into the Register of Bondholders. As required by Circular No. 428-04 issued by the *Bangko Sentral ng Pilipinas,* the Registrar shall send each Bondholder a written statement of registry holdings at least quarterly (at the cost of the Issuer) and a written advice confirming every receipt or transfer of the ASEAN Green Bonds that is effected in the Registrar's system (at the cost of the Issuer). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfers of the ASEAN Green Bonds may be made during the period commencing on a Record Date as defined in the section on "*Interest Payment Date*."

(b) Transfers; Tax Status

Transfers across Tax Categories shall not be allowed except on Interest Payment Dates that fall on a Banking Day, provided however that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax-withheld series name on PDEx, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt entity shall be treated as being of the same Tax Category as its taxable counterpart for the interest period within which such transfer occurred. For purposes hereof, "Tax Categories" refer to the four final withholding tax categories in the PDEx system covering, particularly, tax-exempt persons, 20% tax-withheld persons, 25% tax-withheld persons (aliens), and 25% tax-withheld persons (corporations), as such categories may be revised, amended or supplemented by PDEx in accordance with its rules and Applicable Law. As set out in the Registry and Paying Agency Agreement, this restriction shall be in force until a non-restricted trading & settlement environment for corporate securities is implemented.

Transfers taking place in the Register of Bondholders after the ASEAN Green Bonds are listed on PDEx may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under and are in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC. Transfers to or from Bondholders claiming the benefit of any tax treaty which subjects the interest income to a final withholding tax rate other than the final withholding tax categories indicated above shall only be allowed on Interest Payment Dates that fall on a Banking Day.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under Registry and Paying Agency Agreement upon submission of Account Opening Documents to the Registrar.

(c) Registrar

For transfers and record updates, notices and communication with the Registrar may be made thru the following:

Philippine Depository & Trust Corporation
29th Floor BDO Equitable Tower
Paseo de Roxas, Makati City, Metro Manila

Telephone no: (632) [•]
Fax no: (632) [•]
E-mail: [•]
Attention: [•]

(d) Secondary Trading of the ASEAN Green Bonds

The Issuer intends to list the ASEAN Green Bonds on PDEx for secondary market trading. The ASEAN Green Bonds will be traded in a minimum board lot size of ₱10,000.00 as a minimum, and in multiples of ₱10,000.00 in excess thereof for as long as any of the ASEAN Green Bonds are listed on PDEx. Secondary market trading in PDEx shall follow the applicable PDEx rules, conventions, and guidelines governing trading and settlement between Bondholders of different tax status and shall be subject to the relevant fees of PDEx and PDTC.

3. Ranking

The ASEAN Green Bonds constitute direct, unconditional, and unsecured Peso-denominated obligations of the Issuer and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations preferred by the law, (ii) any obligation incurred by the Issuer as may be allowed by the Trust Agreement, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the Issue Date.

4. Interest

(a) Interest Payment Dates

The ASEAN Green Bonds bear interest on its principal amount from and including Issue Date at the fixed rate of [•] *per annum*, payable quarterly in arrears commencing on [16 March] 2023 as the first interest payment date and every [16 June], [16 September], [16 December], and [16 March], of each year for each subsequent interest payments while the relevant series of the ASEAN Green Bonds are outstanding (each of such dates, an "**Interest Payment Date**"). In the event that any such Interest Payment Date is not a Banking Day, such Interest Payment Date shall be deemed to be the immediately succeeding Banking Day without any adjustment to the amount due, provided that if the Issue Date is set at a date other than [16 December 2022], then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date. The last Interest Payment Date shall fall on the relevant Maturity Date, or the immediately succeeding Banking Day if such date is not a Banking Day, without any adjustment to the amount due.

The cut-off date in determining the existing Bondholders entitled to receive interest or principal amount due shall be the day two (2) Banking Days prior to the relevant Interest Payment Date (the "**Record Date**"), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the ASEAN Green Bonds. No transfers of the ASEAN Green Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

(b) Interest Accrual

Each ASEAN Green Bond shall cease to bear interest, net of applicable withholding taxes, from and including the relevant Maturity Date, as defined in the discussion on *"Final Redemption",* unless, upon due presentation, payment of the principal in respect of the ASEAN Green Bond then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see *"Penalty Interest"*) shall apply.

(c) Determination of Interest Amount

The interest shall be calculated on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of thirty (30) days.

5. Early Redemption Option

(a) Early Redemption Option

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding ASEAN Green Bonds before the Maturity Date on any one of the anniversary dates indicated below (the "**Early Redemption Option Dates**"), or the immediately succeeding Banking Day if such date is not a Banking Day, in accordance with the following schedule:

For the 5-Year ASEAN Green Bonds:

Early Redemption Option Date	Redemption Price
On the 3rd anniversary of the Issue Date and every interest payment date prior to the 4th anniversary.	101.00%
On the 4th anniversary of the Issue Date and every interest payment date prior to Maturity Date	100.50%

For the 7-Year ASEAN Green Bonds:

Early Redemption Option Date	Redemption Price
On the 5th anniversary of the Issue Date and every interest payment date prior to the 6th anniversary.	101.00%
On the 6th anniversary of the Issue Date and every interest payment date prior to Maturity Date	100.50%

The amount payable to the Bondholders in respect of any such redemption shall be calculated as the sum of (i) the Early Redemption Price applied to the principal amount of the then outstanding ASEAN Green Bonds being redeemed and (ii) all accrued interest on the ASEAN Green Bonds as of the Early Redemption Option Date.

(b) Exercise of Early Redemption Option

The Issuer shall give no less than thirty (30) nor more than sixty (60) days' prior written notice to the Trustee, the Registrar and Paying Agent of its intention to redeem the ASEAN Green Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the ASEAN Green Bonds on the relevant Early Redemption Date stated in such notice. Upon receipt by the Trustee of such notice, the Trustee through the Issuer shall secure from the Registrar an updated list of Bondholders as of the Record Date indicated in the notice from the Issuer and provide written notices to all registered Bondholders of the intended optional redemption. Each Bondholder in whose name the ASEAN Green Bonds subject of the early redemption are registered in the Registry of Bondholders at the close of business on the relevant Record Date shall be entitled to receive the interest and optional redemption price. The Issuer shall pay the Bondholders in accordance with the terms of the Registry and Paying Agency Agreement.

6. Redemption and Purchase

(a) Final Redemption

The maturity dates of the ASEAN Green Bonds shall be as follows (each, a "**Maturity Date**"):

(i) in respect of the 5-Year ASEAN Green Bonds, [●], 2027 or the 5th anniversary of the Issue Date, and

(ii) in respect of the 7-Year ASEAN Green Bonds, [●], 2029 or the 7th anniversary of the Issue Date;

provided that, in the event that such Maturity Date falls on a day that is not a Banking Day, the relevant Maturity Date shall be the immediately succeeding Banking Day, without adjustment to the amount of interest and principal to be paid; provided further that if the Issue Date is set at a date other than [16 December 2022], then the Maturity Date will be automatically adjusted to the date falling on: (i) in respect of the 5-Year ASEAN Green Bonds, the 5^{th} anniversary of the Issue Date, and (ii) in respect of the 7-Year ASEAN Green Bonds, the 7^{th} anniversary of the Issue Date.

Unless previously purchased and cancelled, the ASEAN Green Bonds shall be redeemed at par or 100% of face value on the relevant Maturity Date. However, payment of all amounts due on such date may be made by the Issuer through the Paying Agent, without adjustment to the amount of interest to be paid, on the immediately succeeding Banking Day if the relevant Maturity Date is not a Banking Day.

(b) Other Redemption Events

(1) *Redemption due to Change in Control Event*

At any time before the occurrence of Change in Control Event, or on the date of such occurrence, or within fourteen (14) 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 Board of Directors, shall give written notice to the Trustee, PDTC, PDEx and the SEC of the Change in Control Event, and cause PDTC to notify each ASEAN Green Bondholder, which may be through publication in a newspaper of general circulation, which notice shall state:

(i) that a Change in Control Event has occurred,

(ii) (a) if it intends to exercise its Early Redemption Option (as defined above) to redeem in whole but not in part in relation to such a Change in Control Event, or (b) if the Issuer does not intend to exercise its Early Redemption Option, that any ASEAN Green Bondholder has the right to require the Issuer to redeem its portion of the ASEAN Green Bonds at the Change in Control Redemption Price (as defined below);

(iii) if it intends to exercise its Early Redemption Option, the date set by the Issuer for such redemption, which shall be no earlier than thirty (30) days and no later than sixty (60) days from the date such notice is given (the “Change in Control Put Date”), and

(iv) if the Issuer does not intend to exercise its Early Redemption Option, the procedures determined by the Issuer, consistent with the Trust Agreement, that an ASEAN Green Bondholder must follow in order to have its portion of the ASEAN Green Bonds redeemed.

As set out in item (ii) above, if the Issuer has indicated that it will not exercise its Early Redemption Option, each ASEAN Green Bondholder shall have the right, at its option, to require the Issuer to repurchase in full (but not in part) such ASEAN Green Bondholder’s portion of the outstanding ASEAN Green Bonds, at a redemption price equal to 101.00% of the face value of the principal amount of its portion of the ASEAN Green Bonds plus accrued interest (the “**Change in Control Redemption Price**”) on the Change of Control Put Date (as defined above). If any ASEAN Green Bondholder exercises such right to require the Issuer to repurchase its portion of the ASEAN Green Bonds, the Issuer shall not have any obligation to also repurchase the portions of the non-exercising ASEAN Green Bondholders, and the non-exercising ASEAN Green Bondholders shall not also be obliged to sell such portions.

The Trustee shall not be required to take any steps to ascertain whether a Change in Control Event or any event which could lead to the occurrence of a Change in Control Event has occurred nor be liable to any person for any failure to do so.

A change in control event ("**Change in Control Event**") shall be deemed to have occurred when:

(a) CPG Holdings, Inc. ("**CPG**") and AO Capital Holdings 1 ("**AOCH1**") (or together with any of their respective affiliates) collectively cease to own 51% of the voting capital stock of ALCO and to retain the power to elect a majority of the Board of Directors; 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 sixty-seven percent (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 board of directors 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 fifty percent (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.

(2) *<u>Redemption Due to Tax Event</u>*

If payments under the ASEAN Green Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the ASEAN Green Bonds in whole, and not in part only, on any Interest Payment Date (having given not more than sixty (60) nor less than thirty (30) days' written notice to the Trustee, the Registrar and Paying Agent) at par (or 100% of face value) and paid together with the accrued interest thereon, subject to the requirements of Applicable Law; provided that if the Issuer does not redeem the ASEAN Green Bonds then all payments of principal and interest in respect of the ASEAN Green Bonds shall be made free and clear of, and without withholding or deduction for, any such new or additional taxes, duties, assessments or governmental charges, unless such withholding or deduction is required by law. In that event, the Issuer shall pay to the Bondholders concerned such additional amount as will result in the receipt by such Bondholders of such amounts as would have been received by them had no such withholding or deduction for new or additional taxes been required.

(c) Purchase and Cancellation

The Issuer may at any time purchase any of the ASEAN Green Bonds in the open market or by tender or by contract at market price, in accordance with PDEx Rules without any obligation to purchase (and the Bondholders shall not be obliged to sell) ASEAN Green Bonds pro-rata from all Bondholders. Any ASEAN Green Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the ASEAN Green Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

7. Payments

The principal of, interest on and all other amounts payable on the ASEAN Green Bonds shall be paid to the Bondholders by crediting of the cash settlement accounts designated by each of the Bondholders. The principal of, and interest on, the ASEAN Green Bonds shall be payable in Philippine Pesos.

The Issuer shall ensure that so long as any of the ASEAN Green Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the ASEAN Green Bonds and the Issuer or the Paying Agent may only terminate the appointment of the Paying Agent as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, the Issuer shall appoint the Makati City office of such other leading institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

8. Payment of Additional Amounts; Taxation

Interest income on the ASEAN Green Bonds is subject to a final withholding tax at rates of 20%, 25% depending on the tax status of the relevant Bondholder under and subject to relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

(a) The applicable final withholding tax applicable on interest earned on the ASEAN Green Bonds prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations promulgated by the BIR as may be in effect from time to time (the "**Tax Code**").
(b) Gross Receipts Tax under Section 121 of the Tax Code;
(c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and
(d) Value-added Tax ("**VAT**") under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337 and Republic Act No. 10963.

Documentary stamp tax for the primary issue of the ASEAN Green Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

Please see the sections "*Terms of the Offer*" and "*Taxation*" for documents to be submitted by a Bondholder claiming applicable tax exemption.

9. Financial Ratio Covenants

The Issuer shall maintain the following financial ratios, with testing to be done on an annual basis, for as long as any of the ASEAN Green Bonds remain outstanding:

(a) a Debt-to-Equity Ratio of not more than 2:1; and

(b) a Current Ratio of not less than 1.5:1.

For the avoidance of doubt, any indebtedness to be incurred to refinance, an existing indebtedness outstanding on the Issue Date or any testing date, shall not be counted for purposes of computing the Debt-to-Equity Ratio provided that such indebtedness outstanding on the Issue Date or the relevant testing date is settled within 90 calendar days from incurrence of additional indebtedness.

In the determination of any particular amount of indebtedness in connection with these financial covenants, guarantees, security interests or obligations with respect to letters of credit supporting indebtedness otherwise included in the determination of such particular amount shall not be included.

Testing of both financial covenants shall be done on 30 April of each year, using the 31 December audited consolidated financial statements of ALCO and Subsidiaries.

10. Negative Pledge

The Issuer will not, and shall procure that none of its Subsidiaries shall, without the consent of the Majority Bondholders, (i) create, assume, incur or suffer to exist any Lien upon any of its properties or assets; and (ii) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Issuer or any of its Subsidiaries in each case, where the arrangement or transaction is entered into primarily as method of raising Indebtedness or of financing acquisitions of an asset, provided that the foregoing restrictions shall not apply to any Permitted Liens.

The term "**Permitted Liens**" shall mean:

(a) any Lien over any asset, including, but not limited to assets purchased, leased, or developed in the ordinary course of business, to secure: (v) payment of the purchase or acquisition price, or cost of leasehold rights, of such asset; or (w) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (x) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

(b) any Lien arising from the assignment, transfer, conveyance of or creation of security interest over any of the Issuer's or the Subsidiaries' right to receive any income or revenues from receivables arising out of the sale of property held for sale by the Issuer or the Subsidiaries in the ordinary course of business or for raising indebtedness for funding development or project related costs or general corporate purposes;

(c) any normal rediscounting of receivable activities of the Issuer and the Subsidiaries made in the ordinary course of business;

(d) Liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

(e) any Lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

(f) any Lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

(g) any Lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

(h) any Lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos ("foreign currency"); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of Peso denominated indebtedness;

(i) any Lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' Liens, warehousemen's Liens, mechanics' Liens, unpaid vendors' Liens, and other similar Liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to Indebtedness;

(j) any Lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a Treasury Transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed US$5,000,000.00 or its equivalent, or 5% of the total assets of the Issuer as reflected in the consolidated financial statements, whichever is lower; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its Subsidiaries or Affiliates and/or used in the ordinary course of business of Issuer, its Subsidiaries and/or Affiliates;

(k) other Liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the Issue Date, as may be disclosed in writing by the Issuer to the Trustee on or before the execution of the Trust Agreement;

(l) any Lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

(m) any Lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement (other than for borrowed money); and.

(n) any title transfer or retention of title arrangement entered into by the Issuer in the normal course of its trading activities on the counterparty's standard or usual terms

Provided that for purposes of "affiliate" as used in paragraphs (e), (f), (g), (l), and (m) above, it shall refer to any Person in which the Issuer has investment, whether direct or indirect.

12. Events of Default

The Issuer shall be considered in default under the ASEAN Green Bonds and the Trust Agreement in case any of the following events (each an "**Event of Default**") shall occur and is continuing:

a. Payment Default. The Issuer fails to pay when due and payable any amount of principal or interest which the Issuer is obligated to pay the Bondholders under the Trust Agreement and the ASEAN Green Bonds, and such failure to pay is not remedied within seven (7) Banking Days from due date thereof.

The Issuer fails to pay when due and payable any other amount payable by the Issuer in respect of the ASEAN Green Bonds and under the Trust Agreement in the manner, at the place, and in the currency in which it is expressed to be payable, and such non-payment continues for thirty (30) days from the date such payment is due. These other amounts include Penalty Interest, insofar as the payment of such interest is concerned;

b. Representation Default. Any representation or warranty made by the Issuer in the Trust Agreement or in any document issued pursuant thereto or otherwise in connection therewith shall prove to have been untrue, incorrect, or misleading in any material respect as at the time it was made or deemed to have been made or is violated or not complied with, and the circumstances which cause such representation or warranty to be incorrect or misleading continue for not less than fourteen (14) days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Trustee to that effect; provided the existence of any litigation, arbitration or other proceedings contemplated under Section 4.1(i) of the Trust Agreement shall not be an Event of Default if the same shall have been dismissed or stayed by injunction or otherwise within thirty (30) days from receipt by the Issuer of written notice thereof from the Trustee.

c. Other Provisions Default. The Issuer fails to perform or comply with any other material term, obligation, or covenant contained in the Trust Agreement or in any other document or instruments related or otherwise in connection therewith and any such failure, violation, non-compliance is not remediable or if remediable, continues unremedied for a period of thirty (30) days from the date after written notice thereof shall have been given by the Trustee; provided, however, that for the avoidance of doubt, no additional grace period shall apply to the Events of Default specified in Section 9.1 of the Trust Agreement;

d. Cross-Default. The Issuer violates any other material obligation by the Issuer with any bank, financial institution or other person, corporation or entity for the payment of borrowed money which constitutes an event of default under said contract, or in general, violation of any, law or regulation which violation, if remediable, is not remedied by the Issuer within ten (10) Banking Days from receipt of notice by the Trustee to the Issuer, or which violation is otherwise not contested by the Issuer, and the effect of such violation results in the acceleration or declaration of the whole financial obligation to be due and payable prior to the stated normal date of maturity; and which violation will, further, in the reasonable opinion of the Trustee, adversely and materially affect the performance by the Issuer of its obligations under the Trust Agreement and the ASEAN Green Bonds. Provided, however, that no event of default will occur under this paragraph unless the aggregate amount of indebtedness in respect of which one or more of the events above mentioned has/have occurred equals or is in excess of ₱500,000,000.00;

e. Insolvency Default. The Issuer becomes insolvent or is unable to pay its debts when due or commits or permits any act of bankruptcy, which act shall include: (i) the filing of a petition in any bankruptcy, reorganization, winding up or liquidation of the Issuer, or any other proceeding analogous in purpose and effect: Provided, however, that in case the foregoing petition is filed by any other party, other than the Issuer, such event shall be considered a declared Event of Default only upon the issuance of a final order by the court of competent authority; (ii) the making of an assignment by the Issuer of substantially all or all of its assets, or in fraud of creditors; (iii) the admission in writing by the Issuer of its inability to pay its debts; (iv) the entry of any final order or judgment of any court, tribunal or administrative agency or body confirming the bankruptcy or insolvency of the Issuer or approving any reorganization, winding up or liquidation of the Issuer; or (v) the appointment of a receiver, liquidator, assignee, trustee, or sequestrator of the Issuer, or a substantial part of its property or assets or a substantial part of its capital stock or to assume custody or control of the Issuer, or the ordering of its dissolution, winding-up or liquidation of its affairs;

f. Closure Default. The Issuer voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days except that if the closure is: (i) due to strikes or lockouts; or (ii) necessary to prevent business losses; or (iii) due to fortuitous events or force majeure, then such closure shall not be deemed a Closure Default;

g. Judgment Default. Any final judgment, decree or arbitral award for the sum of money, damages or for a fine or penalty in excess of ₱500,000,000.00 or its equivalent in any other currency is entered against the Issuer and any relevant period specified for payment in such judgment, decree, order, or agreement, shall have expired without being satisfied, discharged, or stayed; and

h. Writ and Similar Process Default. Any writ, warrant of attachment or execution, or similar process shall be issued or levied against all or substantially all of the Issuer's assets, and such writ, warrant, or similar process shall not be released, vacated, or fully bonded within thirty (30) days after its issue or levy (or such longer period as the Issuer satisfies the Majority Bondholders as appropriate under the circumstances).

13. Notice of Default

The Trustee shall, within thirty (30) days after the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of payment default, as described in *"Payment Default*,*"* the Trustee shall immediately notify the Bondholders upon the occurrence of such payment default. The existence of a written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in Metro Manila for two (2) consecutive days, further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain an important notice regarding the ASEAN Green Bonds at the principal office of the Trustee upon presentment of sufficient and acceptable identification.

14. Consequences of Default

(a) If any one or more of the Events of Default shall have occurred and be continuing, either the Trustee, upon the written instructions of the Majority Bondholders and by notice in writing delivered to the Issuer, or the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, may declare the principal of the ASEAN Green Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, anything contained in the Trust Agreement or in the ASEAN Green Bonds to the contrary notwithstanding.

(b) This provision, however, is subject to the condition that, except in the case of a Writ and Similar Process Default*,* the Majority Bondholders, by written notice to the Issuer and the Trustee may, during the prescribed curing period, if any, rescind and annul such declaration made by the Trustee pursuant to a consequence of default*,* and the consequences of such declaration, upon such terms, conditions and agreement, if any, as they may determine; provided that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

(c) At any time after any Event of Default shall have occurred, the Trustee may:
(i) by notice in writing to the Issuer, require the Registrar and Paying Agent to:

(aa) act thereafter as agents of the Bondholders represented by the Trustee on the terms provided in the Paying Agency and Registry Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agent and the Registrar shall be limited to amounts for the time being held by the Trustee on the trusts of the Trust Agreement in relation to the ASEAN Green Bonds and available to the Trustee for such purpose) and thereafter to hold all sums, documents and records held by them in respect of the ASEAN Green Bonds on behalf of the Trustee; and/or

(bb) deliver all evidence of the ASEAN Green Bonds and all sums, documents and records held by them in respect of the ASEAN Green Bonds to the Trustee or as the Trustee shall direct in such notice; provided that, such notice shall be deemed not to apply to any document or record which the Registrar and Paying Agent is not obliged to release by any law or regulation; and

(ii) by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the ASEAN Green Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, provision (bb) above and the Issuer's positive covenant to pay principal and interest, net of applicable withholding taxes, on the ASEAN Green Bonds, more particularly set forth in the Trust Agreement, shall cease to have effect.

In case any amount payable by the Issuer under the ASEAN Green Bonds, whether for principal, interest or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, net of applicable withholding taxes, and other amounts, pay Penalty Interest on the defaulted amount(s) from the time the amount falls due until it is fully paid.

15. Penalty Interest

In case any amount payable by the Issuer under the ASEAN Green Bonds, whether for principal, interest, net of applicable withholding taxes, or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, net of applicable withholding taxes, and other amounts, pay penalty interest on the defaulted amount(s) at the rate of twelve percent (12.00%) *per annum* (the "**Penalty Interest**") from the time the amount falls due until it is fully paid.

16. Payment in the Event of Default

The Issuer covenants that upon the occurrence of any Event of Default, the Issuer shall pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding ASEAN Green Bonds with interest at the rate borne by the ASEAN Green Bonds on the overdue principal, net of applicable withholding taxes, and with Penalty Interest as described above, and in addition thereto, the Issuer shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee hereunder.

17. Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Agreement and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first,* to the payment to the to the Trustee, the Registrar and Paying Agent, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without negligence or bad faith; *second,* to the payment of the interest, net of applicable withholding taxes, in default, in the order of the maturity of such interest with Penalty Interest, which payment shall be made pro-rata among the Bondholders; *third,* to the payment of the whole amount then due and unpaid upon the ASEAN Green Bonds for principal, and interest, net of applicable withholding taxes, with Penalty Interest, which payment shall be made pro-rata among the Bondholders; and *fourth,* the remainder, if any shall be paid to the Issuer, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. For this purpose, the Paying

Agent shall deliver to the Trustee a joint certification of the funds to be applied for payment, and a schedule of payments to be made in accordance with the conditions.

18. Prescription

Claims in respect of principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

19. Remedies

All remedies conferred by the Trust Agreement and these Terms and Conditions to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Agreement, subject to the discussion below on *"Ability to File Suit."*

No delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Agreement to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

20. Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Agreement to institute any suit, action or proceeding for the collection of any sum due from the Issuer hereunder on account of principal, interest, net of applicable withholding taxes, and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the ASEAN Green Bonds; (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter's name; (iii) the Trustee, for sixty (60) days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Agreement to affect, disturb or prejudice the rights of the holders of any other such ASEAN Green Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders.

21. Waiver of Default by the Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or may, on behalf of the Bondholders waive any past default, except the Events of Default defined as a payment default, breach of representation or warranty default, insolvency default, or closure default, and its consequences. In case of any such waiver, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the ASEAN Green Bonds.

22. Trustee; Notices

(a) Notice to the Trustee

All documents required to be submitted to the Trustee pursuant to the Trust Agreement, this Offer Supplement, and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee:

Attention:	[•]
Subject:	ALCO ASEAN Green Bonds
Address:	[•]
Facsimile:	+6328784270

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

Any requests for documentation or certification and other similar matters must be communicated by the Bondholder to the Trustee in writing and shall be subject to review, acceptance and approval by the Trustee.

In the absence of any applicable period stated elsewhere in these Conditions, written requests shall be reviewed and, if accepted and approved, addressed by the Trustee within ninety (90) days from receipt. This period may be extended should the Trustee be unable to review and address the requests for causes not attributable to the Trustee.

(b) Notice to the Bondholders

The Trustee shall send all Notices to Bondholders to their mailing address as set forth in the Register of Bondholders. Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Register of Bondholders. The Trustee shall rely on the Register of Bondholders in determining the Bondholders entitled to notice. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on date of publication or (iv) on date of delivery, for personal delivery.

The publication in a newspaper of general circulation in the Philippines of a press release or news item about a communication or disclosure made by ALCO to the SEC on a matter relating to the ASEAN Green Bonds shall be deemed a notice to Bondholders of said matter on the date of the first publication.

(c) Binding and Conclusive Nature

Except as provided in the Trust Agreement, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Agreement, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, and all Bondholders and (in the absence as referred to above) no liability to the Issuer, the Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Agreement.

23. Duties and Responsibilities of the Trustee

(a) The Trustee is appointed as trustee for and on behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Agreement. The Trustee shall, in accordance with the terms and conditions of the Trust Agreement, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the observance by the Issuer of all its covenants and performance of all its obligations, under and pursuant to the Trust Agreement. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Agreement. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters that must be taken up with the Issuer.

(b) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Agreement. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Agreement, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.

(c) None of the provisions contained in these Terms and Conditions this Offer Supplement, shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

24. Resignation and Change of Trustee

(a) The Trustee may at any time resign by giving thirty (30) days' prior written notice to the Issuer and to the Bondholders of such resignation.

(b) Upon receiving such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the resigning trustee and one copy to the successor trustee. However, notwithstanding the immediately preceding sentence, in cases where an Event of Default shall have occurred and be continuing, it is the Majority Bondholders, not the Issuer, that shall appoint the successor trustee. If no successor shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor, or any Bondholder who has been a bona fide holder for at least six (6) months (the “Bona Fide Bondholder”) may, for and in behalf of the Bondholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor trustee.

(c) Subject to Section (f) below, a successor trustee must possess all the qualifications required under pertinent laws.

(d) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer may within thirty (30) days therefrom remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee. If the Issuer fails to remove the Trustee concerned and appoint a successor trustee, any Bona Fide Bondholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee.

(e) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to the Issuer of the required evidence under the provisions on Evidence Supporting the Action of the Bondholders in the Terms and Conditions of the ASEAN Green Bonds.

(f) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any provisions of the Trust Agreement shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Agreement; or (ii) effectivity of the resignation notice sent by the Trustee under the Trust Agreement (the “Resignation Effective Date”); provided however that, until such successor trustee is qualified and appointed, the resigning Trustee shall continue to discharge its duties and responsibilities solely as custodian of records for turnover to the successor trustee promptly upon the appointer thereof by the Issuer; provided finally that, such successor trustee possesses all the qualifications as required by pertinent laws.

25. Successor Trustee

(a) Any successor trustee appointed shall execute, acknowledge and deliver to the Issuer and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as Trustee in the Trust Agreement. The foregoing notwithstanding, on the written request of the Issuer or of the successor trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.

(b) Upon acceptance of the appointment by a successor trustee, the Issuer shall notify the Bondholders in writing of the succession of such trustee to the trusteeship. If the Issuer fails to notify the Bondholders within ten (10) days after the acceptance of appointment by the successor trustee, the latter shall cause the Bondholders to be notified at the expense of the Issuer.

26. Reports to the Bondholders

(a) The Trustee shall submit to the Bondholders on or before 28 February of each year from the relevant Issue Date until full payment of the ASEAN Green Bonds a brief report dated as of 31 December of the immediately preceding year with respect to:

(i) the property and funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report; and

(ii) any action taken by the Trustee in the performance of its duties under the Trust Agreement which it has not previously reported and which in its opinion materially affects the ASEAN Green Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.

(b) The Trustee shall submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10.00%) of the aggregate outstanding principal amount of the ASEAN Green Bonds at such time.

(c) The following pertinent documents may be inspected during regular business hours on any Banking Day at the principal office of the Trustee:

(i) Trust Agreement
(ii) Registry and Paying Agency Agreement
(iii)Articles of Incorporation and By-Laws of the Company
(iv) Registration Statement of the Company with respect to the ASEAN Green Bonds
(v) Opinions of the legal counsel with respect to the Issuer and the ASEAN Green Bonds

27. Meetings of the Bondholders

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Bondholders of any specified aggregate principal amount of ASEAN Green Bonds under any other provisions of the Trust Agreement or under the law and such other matters related to the rights and interests of the Bondholders under the ASEAN Green Bonds.

(a) Notice of Meetings

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of ASEAN Green Bonds may direct in writing the Trustee to call a meeting of the Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to the Issuer and to each of the registered Bondholders not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported billing statement.

(b) Failure of the Trustee to Call a Meeting

In case at any time, the Issuer, pursuant to a resolution of its board of directors or executive committee, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of the ASEAN Green Bonds shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then the Issuer or the Bondholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

(c) Quorum

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The presence of the Majority Bondholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Bondholders.

(d) Procedure for Meetings

(i) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by the Issuer or by the Bondholders, in which case the Issuer or the Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.

(ii) Any meeting of the Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the ASEAN Green Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(e) Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one or more ASEAN Green Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one (1) vote for every ₱10,000.00 interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of the Issuer and its legal counsel.

(f) Voting Requirement

Except as provided in Condition 30 (Amendments), all matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Agreement. Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Issuer as if the votes were unanimous.

(g) Role of the Trustee in Meetings of the Bondholders

Notwithstanding any other provisions of the Trust Agreement, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of the ASEAN Green Bonds, the appointment of proxies by registered holders of the ASEAN Green Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

28. Evidence Supporting the Action of the Bondholders

Wherever in the Trust Agreement it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the ASEAN Green Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing, or (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith, or (iii) a combination of such instrument and any such record of meeting of the Bondholders.

29. Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or wilful misconduct.

30. Amendments

With the written consent of the Majority Bondholders, the Issuer, when authorized by a resolution of its board of directors, and the Trustee may, from time to time and at any time, enter into an agreement or agreements supplemental hereto for the purpose of adding any provision to or changing in any manner or eliminating any of the provisions of this Agreement; provided, however, that no such supplemental agreement shall:

a. Without the consent of each Bondholder affected thereby:

   (i) extend the fixed maturity of the ASEAN Green Bonds, or

   (ii) reduce the principal amount of the ASEAN Green Bonds, or

   (iii) reduce the rate or extend the time of payment of interest and principal thereon;

b. Affect the rights of some of the Bondholders without similarly affecting the rights of all the Bondholders; or

c. Reduce the percentage required to be obtained of the Bondholders to consent to or approve any supplemental agreement or any waiver provided for in this Agreement without the consent of all the Bondholders.

It shall not be necessary to obtain the consent of the Bondholders under this Condition for the purpose of approving the particular form of any proposed supplemental agreement but such consent shall be necessary for the purpose of approving the substance thereof.

Any consent given pursuant to this Section shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof or of any Bonds issued in lieu thereof or in exchange therefor, irrespective of whether or not any notation of such consent is made upon the ASEAN Green Bonds.

Promptly after the execution by the Issuer and the Trustee of any supplemental agreement pursuant to the provisions of this Section, the Issuer shall send a notice to the Bondholders setting forth in general terms the substance of such supplemental agreement. Any failure of the Issuer to send such notice or any defect therein shall not, however, in any way impair or affect the validity of any supplemental agreement.

31. Governing Law

The Bond Agreements are governed by and are construed in accordance with Philippine law.

32. Venue

Any suit, action, or proceeding against the Issuer with respect to the ASEAN Green Bonds or the Bond Agreements or on any judgment entered by any court in respect thereof may be brought in any competent court in the City of Makati, and the parties submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment, the Issuer and Bondholders expressly waiving other venue.

33. Waiver of Preference

The obligation created under the Bond Agreements and the ASEAN Green Bonds shall not enjoy any priority of preference or special privileges whatsoever over any indebtedness or obligations of the Issuer. Accordingly, whatever priorities or preferences that this instrument may have or any person deriving a right hereunder may have under Article 2244, paragraph 14 of the Civil

Code of the Philippine are hereby absolutely and unconditionally waived and renounced. This waiver and renunciation of the priority or preference under Article 2244, paragraph 14 of the Civil Code of the Philippines shall be revoked if it be shown that an indebtedness of the Issuer for borrowed money has a priority or preference under the said provision.

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. It is the recipient of various awards in the Philippines and in Asia. For *Arya Residences,* it has received various awards including *Best Residential High-Rise Development (Philippines)* from Asia Pacific Property Awards (2014), and *Best Condo Development (Philippines)* from South East Asia Property Awards (2012). For *ACPT,* it has likewise received various awards including *Best Office Development* from the Philippines Property Awards (2019), and *Best Green Development (Philippines)* from South East Asia Property Awards (2016). 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 was incorporated on 10 August 1994[4] 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.

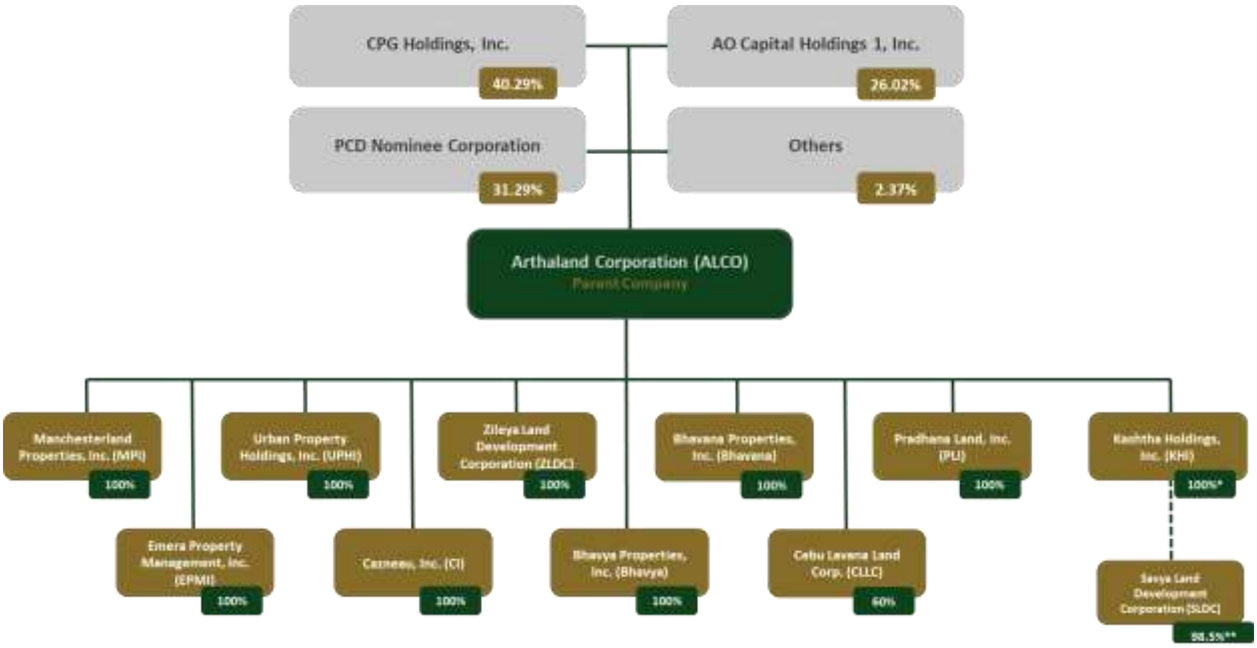
As of September 30, 2022, CPG and AOCH1 are the largest shareholders of ALCO with 40.29%[5] and 26.02%, respectively of ALCO's total issued and outstanding common shares. The Company's common shares, Series C and Series D Preferred Shares are traded on the PSE with the trading symbol ALCO, ALCPC and ALCPD respectively, while the Company's Series A Preferred Shares which are being held by a single shareholder remain unlisted. All Series B Preferred Shares were redeemed as of 6 December 2021 and are now treasury shares of ALCO.

ALCO's developments are registered or are set to be registered under both 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 as well as the PGBC's BERDE 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 Excellence in Design for Greater Efficiencies ("EDGE") Green Building Program of the International Finance Corporation ("**IFC**"). ALCO's adherence to these ratings for all its projects demonstrates its strong commitment to environmentally responsible building practices.

[4] ALCO was originally registered as Urbancorp Realty Developers, Inc. but was renamed in 2003 as EIB Realty Developers, Inc. On 26 January 2009, the SEC approved anew the change of the corporate name to ALCO.
[5] Including 125,000,000 indirectly owned shares

All of the revenues and net income of ALCO for 2018 and the first nine months of 2019 were contributed by the revenues and net income from (i) the sale of units in Arya and Cebu Exchange and (ii) lease income from ACPT, retail units of Arya Plaza in Arya and Courtyard Hall in Sevina Park, the student dormitory component inside Sevina Park. Subsequently, ALCO initiated revenue recognition from Cebu Exchange, Savya and Sevina Park in Q4 2018, Q4 2019 and Q4 2020 respectively. ALCO expects to continue to generate lease revenues from the retail units of Arya Plaza, office units in ACPT and student dormitories of Courtyard Hall moving forward. ALCO also expects revenues from real estate sales from Cebu Exchange and Savya in 2021 to 2023. Lucima is expected to contribute to revenues beginning Q3 2022. ALCO's projects for future launch including Makati CBD Residential Project 2, Makati CBD Residential Project, Project Olive and Project Midtown are expected to contribute to ALCO's revenues beginning Q4 2022.

CORPORATE STRUCTURE



**100% of the shares of Kashtha is currently registered under the Company pending the issuance of Certificate Authorizing Registration for the transfer of 40% to Mitsubishi Estate Co., Ltd. ("MEC"). As of the date of this Offer Supplement, the certificate authorizing registration ("CAR") for the transaction is still under process with the Bureau of Internal Revenue ("BIR"). The Company has submitted all necessary documents to allow for the complete processing of the CAR.*

***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.*

****As of 27 December 2021, ALCOd owned 100% of CLLC following its acquisition of the 40% ownership of Arch SPV. See discussion under CLLC below.*

*****As of 27 December 2021, ALCO owned 60% of Bhavya and 60% of Bhavana following the sale of its 40% ownership stake in Bhavya and Bhavana to Narra Properties Investment PTE. Ltd. See discussion under Bhavya and Bhavana below.*

Subsidiaries and Joint Ventures

i. **Cazneau Inc.** was incorporated on 13 August 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 8 September 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.

ii. **Cebu Lavana Land Corp.** was incorporated on 11 September 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.

Arch SPV, a foreign private limited liability company existing and duly constituted under the laws of The Netherlands with principal office address at Naritaweg 165, 1043 BW Amsterdam, The Netherlands, and managed by Arch Capital, subscribed to its shares of stock which entitled it to two seats in the five-man Board of the company.

CLLC is the project company for ALCO's *Cebu Exchange Project* as discussed in more detail under the section *Projects.*

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.

On 27 December 2021, ALCO acquired the 40% ownership of Arch SPV's common shares, preferred shares and shareholder advances in CLLC. After this transaction, ALCO beneficially owned 100% of CLLC. Once the Certificate Authorizing Registration is obtained for the transaction, the CLLC shares which were previously registered under Arch SPV's name will be registered under ALCO.

iii. **Emera Property Management, Inc.** was incorporated on 31 July 2008. It was originally established to engage in the realty development business but it now serves as the property management arm of ALCO for Arya, ACPT and all its succeeding development projects to ensure the maintenance of high-quality standards therein. Presently, it has twenty-eight employees on board. ALCO has 100% ownership interest in this company.

Currently, Emera has an authorized capital stock of ₱1,000,000.00. Its total subscribed capital and paid up capital are ₱250,000.00 and ₱250,000.00, respectively.

iv. **Manchesterland Properties, Inc.** was incorporated on 27 March 2008 and was 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.

Currently, MPI has an authorized capital stock of ₱640,000,000.00. Its total subscribed capital and paid up capital is ₱635,705,000.00.

v. **Savya Land Development Corporation** was incorporated on 10 February 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 proposed merger is to jointly develop the three lots into a two-tower office development to be known as Savya Financial Center. 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 1 October 2019, as a joint venture company ("JV Company") between ALCO and MEC, to be owned 60% by ALCO and 40% by MEC, which will (i) acquire and, thereafter, own and hold the 50% equity interest of ALCO in SLDC, thereby making the JV Company the direct 50% stockholder in SLDC, and (ii) acquire by assignment the shareholder's advances made by the Corporation to SLDC.

vii. **Urban Property Holdings, Inc.** was incorporated on 23 January 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 28 December 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 Residential Project* 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 15 July 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 two thousand two hundred forty-five (2,245) square meters, more or less, located in the corner of Cardinal Rosales Avenue and Samar Loop Road, Cebu City and which will be the site of the Cebu Business Park Project as discussed in more detail under the section *Projects*.

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 27 December 2021, ALCO sold 40% of its common shares in and shareholder advances to Bhavana to Arch SPV 2. Once the Certificate Authorizing Registration is obtained for the transaction, the Bhavana common shares which were previously registered under ALCO's name will be registered under Arch SPV 2.

x. **Bhavya Properties, Inc.** was incorporated on 19 July 2019 with the primary purpose of engaging in the realty development business. This is the investment vehicle that will be used for the Makati CBD Residential Project 2.

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 ₱6,250,000.00 respectively.

On 27 December 2021, ALCO sold 40% of its common shares in and shareholder advances to Bhavya to Arch SPV 2. Once the Certificate Authorizing Registration is obtained for the transaction, the Bhavana common shares which were previously registered under ALCO's name will be registered under Arch SPV 2.

xi. **Pradhana Land, Inc.** was incorporated on September 09, 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.

Subject to matters disclosed under the section "Legal Proceedings" of this Offer Supplement, none of these subsidiaries are engaged in any bankruptcy, receivership, or similar proceedings. During the period covered by this Offer Supplement, neither of the above-named subsidiaries 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.

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 31 December 2019 – 2021 and six months ended 30 June 2021 and 2022

In ₱ millions	REVENUE (Audited)						REVENUE (Unaudited)			
	2019		2020		2021		2Q 2021		2Q 2022	
Company	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Arthaland Corporation	539	13%	553	16%	770	22%	344	24%	263	21%
Manchesterland Properties, Inc.	15	0%	7	0%	5	0%	3	0%	3	0%
Emera Property Management, Inc.	14	0%	25	1%	23	1%	12	1%	12	1%
Cazneau, Inc.	17	1%	90	3%	305	9%	198	14%	94	8%
Urban Property Holdings, Inc.	-	-	-	-	-	-	-	-	-	-
Cebu Lavana Land Corp.	2870	70%	2,126	61%	1,355	39%	628	44%	287	23%
Zileya Land Corporation	-	0%	-	0%	-	0%	-	0%	-	0%
Savya Land Development Corporation	646	16%	713	20%	975	28%	252	17%	290	23%
Bhavana Properties, Inc.	-	-	-	-	-	-	-	-	296	24%
Bhavya Properties, Inc.	-	-	-	-	-	-	-	-	-	-
Pradhana Land, Inc.	-	-	-	-	-	-	-	-	-	-
Kashtha Holdings, Inc.	-	-	-	-	-	-	-	-	-	-
Total before consolidation	4,101	100%	3,514	100%	3,433	100%	1437	100%	1,245	100%
Consolidation Entries	-253		-212		-461		-192		-133	
Consolidated Revenues	3,848		3,302		2,972		1245		1,112	

In ₱ millions	NET INCOME (Audited)						NET INCOME (Unaudited)			
	2019		2020		2021		2Q 2021		2Q 2022	
Company	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Arthaland Corporation	787	50%	730	50%	1,001	52%	509	53%	30	4%
Manchesterland Properties, Inc.	3	0%	-5	0%	92	5%	89	9%	-1	0%

Emera Property Management, Inc.	2	0%	9	1%	4	0%	4	0%	-1	0%
Cazneau, Inc.	31	2%	-9	-1%	228	12%	76	8%	-20	-3%
Urban Property Holdings, Inc.	15	1%	27	2%	80	4%	34	4%	-2	0%
Cebu Lavana Land Corp.	592	37%	457	31%	193	10%	178	19%	728	87%
Zileya Land Corporation	-3	0%	-3	0%	-3	0%	-2	0%	0	0%
Savya Land Development Corporation	159	10%	243	17%	315	17%	96	10%	98	12%
Bhavana Properties, Inc.	-1	0%	-3	0%	31	2%	-18	-2%	29	3%
Bhavya Properties, Inc.	-2	0%	-3	0%	-33	-2%	-9	-1%	-22	-3%
Pradhana Land, Inc.	-1	0%	-	0%	-	0%	-	0%	-	0%
Kashtha Holdings, Inc.	-1	0%	-	0%	-	0%	-	0%	-	0%
Total before consolidation	1,581	100 %	1,443	100%	1,908	100%	957	100%	839	100%
Consolidation Entries	-94		-274		-793		-236		-43	
Consolidated Net Income	1,487		1,169		1,115		721		796	

CORPORATE HISTORY

ALCO was incorporated in the Philippines on 10 August 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 ₱835.0 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 31 January 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. Gonzalez became the Chairman of the Board of EIB in May 2006.

On 21 May 2007, EIBR held its annual stockholders' meeting primarily for the purpose of electing the new members of its Board of Directors 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. Gonzalez was also appointed Chairman thereof.

On 24 May 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 ₱2.0 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 02 July 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 04 December 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 ₱2.0 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 ₱750.0 million subscription of AO Capital Holdings I, Inc., Vista Holdings Corporation, The First Resources Management and Securities Corporation and Elite Holdings, Inc.

On 28 January 2008, EIBR stockholders amended anew the Articles of Incorporation and approved the increase of the authorized capital stock by ₱2.70 billion or 15.0 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 26 January 2009, EIBR became **Arthaland Corporation** and it started using the symbol **ALCO** on the board of the Philippine Stock Exchange.

On 26 April 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.

On 13 March 2012, EIB sold its remaining shareholdings in ALCO equivalent to 981,699,819 common shares of stock to the following entities:

Edimax Investment Limited	296,460,000 shares
Kinstar Investment Limited	94,720,035 shares
Viplus Investment Limited	247,899,874 shares
Nanlong Investment Limited	342,619,910 shares

On 23 September 2014, CPG acquired the ALCO shares of Nanlong Investment Limited. As a consequence, CPG now holds a total of 2,142,619,910 ALCO common shares or 40.29% of the outstanding 5,318,095,199 common shares.

As of the date of this Offer Supplement, the Company has issued ₱3 billion Bonds under its ASEAN Green Bond Program. These Bonds were issued on 6 February 2020.

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 International WELL Building Institute (IWBI).

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 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 2021, the Company made substantial progress towards its commitment towards a fully decarbonized portfolio. For the full year ending 31 December 2021, the Company's operating development portfolio composed of Arya Residences, Arthaland Century Pacific Tower and Courtyard Hall in Sevina Park were able to achieve 54% energy savings, 45% water savings and 59% reduction in greenhouse gas emissions. 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 Philippines. 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, utilized 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

To date, Arya is the Philippines' first and only residential condominium to achieve dual green building certification. It is registered under the U.S. Green Building Council's ("USGBC") LEED program with a gold certification as well as it is the benchmark vertical residential development for the PGBC BERDE. Arya was also awarded with ANZ/PH 3-Star under the pilot program of PGBC Advancing Net Zero Philippines.

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 and its Health-Safety Ratings was renewed in January 2022.

The Company's projects which have initiated handover this year are likewise multi-certified:

- Cebu Exchange has achieved LEED Gold certification, BERDE Design 5-Star certification and was awarded the WELL Health-Safety Rating seal in 2022. It is on-track to achieve EDGE Zero Carbon certification under the IFC's EDGE program. It 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.

- 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. It is registered under the BERDE, EDGE and WELL programs and is on-track to achieve target certifications including BERDE Design 4-Star, EDGE Advanced and WELL Bronze certification.

The Company's projects which are currently under construction are 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 for Neighborhood Development (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.

- 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 sustainable luxury residential development in Legazpi Village in the Makati CBD, will be 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 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. ALCO was also 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.

With the completion of its flagship projects, the recent handover of Cebu Exchange and the North Tower of Savya Financial Center on time and within budget, as well as the significant progress on Sevina Park and Lucima, ALCO has further reinforced its brand equity and track record of capable delivery.

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 billion AIG Infrastructure Fund, US$15 billion Metro Manila toll road projects and Arthaland 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 ₱1.6 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 (page 104) and Certain Relationships and Related Transactions (page 163) 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 high-end 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 high-end real estate developers to execute its plans.

Owing to this, ALCO's Arya, ACPT, Cebu Exchange and the North Tower of 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 for its flagship projects with Arya Tower 1 and Tower 2 already 100% sold and ALCO-owned floors in ACPT 100% leased out. Likewise, the Company's projects under construction 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 its land bank as well as the specific needs of its target market for each of the locations of its projects.

ALCO's land bank 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 Residential Project 1 and Eluria), Arca South (Savya Financial Center) and Cebu (Cebu Exchange and Lucima*),* while allowing it to develop its land bank 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 at least five technology parks, four auto manufacturing plants and some of the largest IT BPO companies.

With the completion of its capital-raising programs in 2020 and 2021, 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 up to 2030. It is currently in discussions for the acquisition of a 3.6-hectare property in located at the gateway of one of the most prime CBDs in Metro Manila which will benefit from planned infrastructure from the government and is also evaluating the acquisition of a 2.35-hectare property located in the middle of one of the most prime urban areas in southern Philippines, a 45-hectare residential property. 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 in a way that will minimize financial risk by ensuring that debt-to-equity ratios remain at conservative levels well below industry averages and at ratios acceptable for bank financing, while optimizing the return to the shareholders. 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 interest-bearing debt to equity ratio as of 30 June 2022 was reported as 1.20x 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 ASEAN Green Bond offering 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. 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 with Help Holdings, Inc., a strong local partner 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 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. The Company successfully launched Lucima in July 2021, Una Apartments in Sevina Park in September 2022 and is ready to launch Eluria in Q4 2022. By continuing to work on the launch of these projects, 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.

By 2024, ALCO expects to have a total of more than 484,000 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 4.4x its portfolio in 2019 or an estimated compounded annual growth rate of 34%.

Of the target 484,000 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. The launch of Makati CBD Residential Project 1 is expected to complete the GFA target over this high-growth period. 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 484,000 sqm portfolio by 2024, ALCO expects approximately 47% (about 228,000 sqm) to be in the commercial segment and the balance 53% 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 52% of developed gross floor area by 2024 to be located outside Metro Manila through its Sevina Park and Lucima projects while maintaining 48% of its residential portfolio within BGC and the Makati CBD area through Arya Residences, Makati CBD Residential Project 1 and Eluria.

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 landbanking 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 until 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 of time.

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 discussions for the acquisition of a 3.6-hectare property located at the gateway to one of the most prime CBDs in Metro Manila, a 2.35-hectare property in the middle of the most prime CBDs in southern Philippines and a 45-hectare residential property located in southern Metro Manila. 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 acquisition of a 1,000 sqm property in the Makati CBD and a 3,700 sqm property in a prime central business district within Metro Manila, to support 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 be able to add approximately 944,000 sqm of GFA to its portfolio and it will have the flexibility to manage the timing of the launches of various components within each project to obtain 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 improved 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, making the projects stand out from its competitors by anticipating what matters most to the buyers and translating these into the project designs and product features.

For example, Eluria was conceptualized with a vision towards personalized white glove services and concierge solutions through internationally trained hospitality staff that will be assigned to each unit to 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.

ALCO also has an existing tie-up with Ikea for Una Apartments wherein each unit will be delivered furnished with Ikea products from the bedroom, kitchen bedroom, kitchen, living and dining area, toilet and bath, and all the way to the utility area. The Company looks forward for continued partnership with Ikea for its future projects.

Sevina Park will also be the first community to partner with The Medical City (TMC) and 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.

For the Cebu Exchange and North Tower of Savya Financial Center, the Company pioneered a leasing program called "Consolidated Leasing Solutions" or "CLS Program". The CLS Program allows buyers of smaller office units in Cebu Exchange and Savya to consolidate their units to make these part of an entire floor or larger space which can then be leased out to larger corporate tenants. This unique leasing program gives smaller buyers better leverage in negotiating lease terms as part of a larger pool of office units.

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 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 Arthaland 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, these also decrease human dependence on energy and operations 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 International WELL Building Institute (IWBI) 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 this covid-19 pandemic while on-going projects such as Savya, Sevina Park, Lucima and Eluria are all 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 likewise maintains a leasing portfolio which, at a minimum, covers its fixed overhead costs. ALCO's leasing portfolio is currently composed of its retail units in Arya Plaza, the office units in ACPT, Courtyard Hall and 10,687 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. In the near-term, ALCO plans to retain an additional 500 sqm of NLA from its current projects. This is expected to provide additional lease revenues to its current portfolio of properties for lease which includes ACPT, Arya Plaza and Courtyard Hall.

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 allow ALCO the necessary access to additional capitalization provided by its partners and to benefit from the development expertise of its partners. While the Company is able to enjoy these benefits, it continues to have control over the projects by maintaining majority representation in the Board of Directors for each project company and by executing project management agreements between ALCO and each project company designating ALCO as 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 a definitive 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 with a special focus on the development of commercial projects 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 National Home Mortgage Finance Corporation ("**NHMFC**") allows its buyers to finance up to ₱6 million of the purchase price of their residential units with up to 30-year loans at a fixed preferential rate of as low as 4.5% 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 8th 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.

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.

It has garnered several international awards over the past years. 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. Also, 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 Gonzalez 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 ACPT's net leasable area. As a result, the Company retains ownership over 21,089 sqm which represents approximately 66% of the 32,016 sqm of net leasable area of ACPT which will generate recurring lease revenues for the Company.

ACPT is one of the first premium-grade office 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 new building of the Philippine Stock Exchange 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 Excellence in Design for Greater Efficiencies ("EDGE") Green Building Program of the International Finance Corporation ("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 International WELL Building Institute (IWBI) 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, one of the largest and tallest office developments in Cebu with total NSA of almost 90,000 sqm. ALCO's design for Cebu Exchange gives it the flexibility to serve the wide office space market in Cebu: (i) The Cebu Exchange will have a lower office zone of three levels which will have floorplates of around 5,900 sqm, which is targeted to cater to larger BPOs that may benefit from consolidating their operations; (ii) The project will have a middle zone of nineteen levels with floorplates of approximately 3,400 sqm, which will cater to conventional offices and BPOs; and (iii) a high zone of eight levels with floorplates of approximately 2,200 sqm, which is intended to cater to start-up businesses. 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.

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 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 27 December 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 plans to retain some units in the project to boost its recurring income from leasing operations.

In 2022, CLLC identified 8,059 sqm of office units, 2,628 sqm of retail units and 36 non-appurtenant parking slots for conversion to investment properties from its inventory of real estate for sale following its intention to retain these units to generate recurring income from their lease to locators in Cebu Exchange. CLLC reflected a pre-tax fair value gain of approximately ₱954 million 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 30 September 2022, physical accomplishment of Cebu Exchange is at 99.5% and ₱8.58 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 76.5% of the total net saleable area of Cebu Exchange.

Sevina Park

Sevina Park Master Plan

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

On 08 September 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. Sevina Park is conceptualized to be a sustainable mixed-use community that will feature multiple components like designer villas, residential mid- rise buildings, commercial office buildings as well as retail and supplemental amenities. The masterplan was completed by global design firm Sasaki and Associates of Boston. Sevina Park is envisioned to be the quintessential suburban respite for both growing families and empty nesters.

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 will directly benefit 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 Laguna campus.

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 108 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.

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 for Neighborhood Development (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's 4-Bedroom Villa 182 Model Unit initiated the Villa's certification process by achieving LEED Platinum certification in 2020.

As of 30 September 2022, Cazneau has executed sales reservation contracts amounting to approximately ₱1.27 billion covering 63 of the 108 villas.

Una Apartments in Sevina Park


Una Apartments

Studio and One-bedroom model unit

Designed to be ALCO's first foray in serving the broader mid-scale market, Una Apartments was launched in September 2022. The mid-rise tower will have multiple sustainability certifications that will let its residents enjoy water and electricity savings by as much as 20%. All units, both the studio and one-bedroom unit, will have operable windows that optimizes natural daylight and provides natural ventilation. In addition, the units are all airtight to prevent sound and odor transfer between walls. 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.

The condominium will also house amenities that are aligned with the Company's vision of promoting health and wellness for all including 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. In addition, all units will be furnished with Ikea products from the bedroom, kitchen, living and dining area, toilet and bath, and all the way to the utility area.

From its successful launch, we are now in the process of documenting reservation contracts for 170 units equivalent to about ₱1.1 billion. As of 30 September 2022, the Company has already executed reservation contracts with a total value of ₱258 million covering 44 of the 396 units of Una Apartments.

ALCO will launch succeeding phases of the residential towers that will cater to both the broader mid-scale and upscale market from 2024.

Commercial lot in Sevina Park

As part of building a sustainable mixed-use community in Sevina Park, the Company has already begun selling four of its six commercial blocks to a number of interested buyers. Each lot will have an average size of 2,500 sqm and will be ready by Q1 of 2023. Meanwhile, the remaining two commercial blocks will be developed into a commercial space that includes a supermarket and boutique establishments that will complement to 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 envisioned to be the new capital address for business and commerce in Arca South, Taguig City. The project is being 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 and is also WELL pre-certified. It is on-track to achieve BERDE 4-star certification and EDGE Zero Carbon certification. The project was launched in February 2019 shortly after its formal ground-breaking in January 2019.

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 is 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 01 October 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 net leasable area 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 is expected to be completed as well in Q4 2022. As of 30 September 2022, reservation contracts with a total value of approximately ₱3.06 billion and covering approximately 48% 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.

On 27 December 2021, ALCO sold 40% of its common shares in and shareholder advances to Bhavana to Arch SPV 2.

Lucima is planned to be the newest signature residential address from ALCO and 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 including LEED, BERDE, EDGE and WELL certifications from USGBC, PGBCPhilGBC, IFC and IWBI. 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 263 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 2.9 meters, and residents can enjoy a view of the ocean, the mountains, or the city.

Lucima has been enjoying strong market reception since its launch in July 2021. As of 30 September 2022, reservation contracts with a total value of approximately ₱2.06 billion covering approximately 42% of Lucima's NSA have been executed. Construction is also on track for Lucima with expected completion by Q4 of 2024.

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 will be the site of 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.

On 27 December 2021, ALCO sold 40% of its common shares in and shareholder advances to Bhavya to Arch SPV 2.

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 will offer only 37 residential units and will have a total gross floor area of approximately 14,600 sqm. ALCO expects to formally launch the project within Q4 2022.

Makati CBD Residential Project 1

The Company, through its wholly-owned subsidiary, Zileya, acquired condominium certificates of title ("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, Zileya effectively had an undivided interest over 47.4% of the property on which the Midland Mansions Condominium stands. 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 H1 of 2023.

Makati CBD Residential Project 3

ALCO is in the middle of the negotiations to acquire a property with a gross land area of about 1,000 sqm situated in a prime location along the Makati Central Business District. The property will be developed into a high-rise multi-certified sustainable tower that will cater to luxury market to take advantage of its strategic location. The tower will have a gross floor area of about 15,800 sqm. and will offer 67 units inclusive of the retail unit at the ground floor. The project is expected to launch in Q1 2024.

Project JL

ALCO is evaluating the acquisition of a property with a gross land area of about 3,700 sqm located in a prime central business district in Metro Manila. The project will be positioned to cater to the broader midscale market and will still carry the same sustainability features as with our other ALCO projects. The property will be developed into a two-tower high rise residential condominium with a gross floor area of 44,158 sqm and will offer a mix of studio and one-bedroom units of up to 1,120 units. The first tower will offer 520 units and is phased to launch in Q2 2024

Project Olive

ALCO is currently in discussions for 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 upcoming public infrastructure. 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 has planned to develop the property into a boutique masterplanned 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 2024 to 2038. Completion is likewise done in phases between 2028 to 2042.

Project Midtown

ALCO is evaluating the acquisition of a 2.35-hectare property in the middle of the most prime city center area in southern Philippines. The acquisition program is expected to be completed between 2024 to 2028 to manage the funding requirements over time. ALCO plans to develop the property into the Project Midtown over multiple phases from to 2024 to 2033 to provide a steady pipeline of projects which will contribute to the revenues of ALCO over the long-term. Project Midtown is envisioned to be a sustainable masterplanned development which will have commercial, residential and retail components.

Project SL

ALCO is evaluating the acquisition of a 45-hectare residential property located in southern Metro Manila. Project SL is envisioned to be a sustainable masterplanned residential community. The development plan will be done across four phases which will be implemented over a period of ten years, with the initial launch targeted in 2024.

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 2021 and the six-month period ended 30 June 2022 from each project as described above:

Amounts in ₱ million	**Year-ended 2021**	**6 months ended 30 June 2022**
Lease Revenues:		
ACPT	314.6	132.7
Arya Plaza	5.5	3.4
Courtyard Hall	5.5	1.5
Cebu Exchange		0.5
Total Lease Revenues	325.5	138.1
Revenues from sale of units:		
Cebu Exchange	1,354.5	285.7
Savya Financial Center	975.1	290.3
Sevina Park Villas	299.3	92.8
Total Revenues from sale of units	2,628.9	965.2
Project Management Fees	17.8	9.0
Total Revenues	**2,972.2**	**1,112.3**

The percentage contribution to revenues and net income of foreign sales in ALCO's projects is not significant as of full year 31 December 2021 and for the six months ended 30 30 June 2022.

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**
Arya Residences	2011 to 2018	8,916.6
ACPT	2018 to 2024	2,263.8
Cebu Exchange	2018 to 2024	9,577.0
Savya Financial Center	2019 to 2024	5,785.5
Sevina Park	2018 to 2040	20,197.0
Lucima	2022 to 2024	4,896.2
Eluria	2023 to 2025	5,321.2
Makati CBD Residential 1	2024 to 2028	10,753.5
Makati CBD Residential 3	2025 to 2028	6,084.9
Project JL	2025 to 2030	11,980.5

Project Olive	2025 to 2042	104,529.5
Project Midtown	2025 to 2033	31,570.4
Project SL	2024 to 2033	31,699.1

VALUE OF INVENTORY AVAILABLE FOR SALE

The following table shows the estimated value of inventory available for sale as of 30 September 30, 2022 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%	99.5%	2,602.0
Kashtha and SLDC	Savya North Tower	60%*	99.5%	3,053.0
	Savya South Tower	0%*	39.4%	NA
Cazneau	Sevina Park Villas	100%	45.9%	838.1
Cazneau	Una Apartments	100%	Launched	1,042.4
Cazneau	Commercial lot	100%	Site development substantially completed	904.8
Bhavana	Lucima	60%	25.3%	3,058.8
Total				**11,499.1**

**100% of the shares of Kashtha is currently registered under the Company pending the issuance of Certificate Authorizing Registration for the transfer of 40% to Mitsubishi Estate Co., Ltd. ("MEC"). As of the date of this Offer Supplement, the certificate authorizing registration ("CAR") for the transaction is still under process with the Bureau of Internal Revenue ("BIR"). The Company has submitted all necessary documents to allow for the complete processing of the CAR.*

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 September 30, 2022:

	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: 99.5% Phase 1 (Basement to Level 15) • Handover to buyers completed in September 2020 Phase 2 (Basement to Level 16 to top floor) • Initiated handover to buyers in April 2022 •	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: 78.00% ○ Construction completion for Tranche 1 of Villas: 76.59% ○ Construction completion for Tranche 2 of Villas: 58.13%	Debt and equity funding required to complete the project are in place

	○ Amenities and pavilion: 57.37% • Phase 3: Apartments ○ Una Apartments, first tower of the six mid-rise residential condominium, launched in September 2022 • Phase 4: Commercial ○ On-going site development.	
Savya Financial Center	• North Tower ○ Initiated handover to buyers in January 2022 ○ Physical accomplishment: 99.45% • South Tower ○ Physical accomplishment: 91.88% ○ Estimated to be operational by 31 December 2022	Debt and equity funding required to complete the project are in place
Lucima	• Physical accomplishment: 25.33% • Estimated completion by Q4 2024	Debt and equity funding required to complete the project are in place
Eluria	• Land acquisition completed • Bids on-going for contract packages	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	Additional equity from ALCO amounting to ₱600 million will be sourced from this offer. Term loan of ₱2.4 billion and additional equity from strategic partner amounting to ₱520 million are expected to be in place by H2 2023.

Makati CBD Residential 3	• Discussions on-going for land acquisition	₱450 million equity required from ALCO will be sourced from this offer. Additional term loan of ₱1.3 billion and funding from a strategic partner amounting to ₱300 million are required to fully fund the project. These agreements are expected to be finalized by H2 of 2022.
Project JL	• Discussions on-going for land acquisition	₱500 million equity required from ALCO will be sourced from this offer. Additional term loan of ₱1.5 billion and funding from a strategic partner amounting to ₱333 million are required to fully fund the project. These agreements are expected to be finalized by H2 of 2023.
Project Olive	• Due diligence for land acquisition in progress	₱1.7 billion equity required from ALCO is in place. Additional term loan of ₱4 billion and funding from a strategic partner amounting to ₱1 billion are required to complete the project. These agreements are expected to be finalized by H2 of 2023.
Project Midtown	• Discussions on-going for land acquisition	₱1.0 billion equity required from ALCO will be sourced from this offer. Additional term loan of ₱2.6 billion and funding from a strategic partner amounting to ₱680 million are required for the project. The agreements for these are expected to be finalized by H2 of 2025.
Project SL	• Discussions on-going for land acquisition	₱1.2 billion equity required from ALCO is expected to be raised in 2022. Additional term loan of ₱4.0 billion and funding from a strategic partner amounting to ₱800 million are required for the project. The agreements for these are

		expected to be finalized by H2 of 2023.

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 20 March 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 31 January 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 28 December 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 ₱285.6 million and Project Management Fee of ₱503.7 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 27 January 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.

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 27 January 2021 which was further amended on 28 September 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

Shareholders' Agreement for Cebu Lavana Land Corp.

On 07 January 2016, the Company, Arch SPV and CLLC, then a wholly-owned subsidiary of the Company, entered into a Shareholders' Agreement wherein Arch SPV agreed to invest in CLLC to the extent of 40% of its issued and outstanding capital stock, consisting of both common shares and preferred shares, among others. CLLC's purpose and business is to develop two parcels of land located at Salinas Drive, Lahug, Cebu City consisting of 8,440 sqms and to construct a condominium project for commercial and/or residential purposes which will be offered for sale or lease.

Share Purchase Agreement between ALCO and Arch SPV

On 23 December 2021, the ALCO and Arch SPV executed a Share Purchase Agreement wherein ALCO agreed to purchase and acquire: (1) all of the outstanding shareholder advances of Arch SPV to CLLC inclusive of all accrued interest thereon; (2) Arch SPV's common shares in CLLC and (3) Arch SPV's preferred shares in CLLC for a base cash consideration equal to ₱875,500,000 subject to the following terms:

- Payment Terms. The base cash consideration shall be paid as follows:

  a) Tranche 1: ₱125,500,000 payable on closing date ("Closing Date")

  b) Tranche 2: ₱750,000,000 payable on 18 August 2022.

- Arch SPV shall be entitled to an additional selling price of ₱40,000,000.00 if CLLC is able to sell 90% of its total office and retail units in Cebu Exchange to third party buyers by 30 June 2022 as evidenced by the execution of a contract to sell between CLLC and such third party buyer. It is understood that any sale to ALCO, its major shareholders or nominated investment vehicles are not considered sales to third party buyers under this section. Any additional selling price shall be payable on the first anniversary date from Closing Date.

- Beginning the day after the first anniversary date from Closing Date, ALCO agrees to pay Arch SPV interest amounting to 18% pa calculated on the portion of the base selling price and additional selling price that remains unpaid as of such date.

- On Closing Date, the parties shall execute a Security Agreement which will provide that upon the occurrence of a payment default for Tranche 2 of the base selling price and additional selling price, ALCO conveys the sufficient SHA by way of security interest in favor of Arch so that the security will have a 1:1 ratio with the Tranche 2 amount.

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

(1) Deed of Assignment of Arch SPV's shareholder advances to CLLC inclusive of all accrued interest thereon to ALCO in exchange for a consideration amounting to ₱762,340,790.00 of which ₱12,340,790.00 was paid in cash by ALCO to CLLC on Closing Date and the balance ₱750,000,000.00 shall be payable on 18 August 2022;

(2) Deed of Absolute Sale over Arch SPV's common shares and preferred shares in CLLC to ALCO in exchange for a consideration amounting to ₱113,159,210.00 which ALCO paid in cash on Closing Date;

(3) Security Agreement among ALCO, Arch SPV and CLLC to secure the payment obligation of ALCO to Arch SPV in accordance with the Share Purchase Agreement dated 23 December 2021;

(4) On the same date, Arch SPV's nominated directors to the Board of Directors of CLLC tendered their resignation letters effective 27 December 2021.

On 30 June 2022, it was determined that CLLC was not able to execute contracts to sell covering 90% of the total office and retail units of Cebu Exchange. As such, the no additional selling price was due to Arch SPV.

On 18 August 2022, ALCO remitted ₱750,000,000.00 to Arch SPV's nominated account in full payment of the consideration for the transaction.

Shareholder Advance Agreement between ALCO and CLLC

- On 23 December 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 22 August 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 where the two towers of Savya Financial Center are being constructed.

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 11 October2019, 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.

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

On 23 December 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 27 December 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 27 June 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 27 June 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 27 June 2022;

(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 27 June 2022

On 27 June 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 05 August 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.

3. Loan Agreements

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

On 14 February 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 15 April 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 22 March 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 28 October 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 ₱500,000,000.00, subject to the terms and conditions of the said Facility Letter. 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:

c) 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 Mancesterland as third-party mortgagor and registered owner

d) 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 Mancesterland as third-party mortgagor and registered owner and ALCO as mortgagor and registered owner

The loan facility was fully drawn by the Company on 26 November 2021.

₱1.44B Term Loan between SLDC and BDO

On 13 August 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 14 May 2022. The term loan facility is payable based on a quarterly principal repayment schedule beginning on 28 February 2022 up to its maturity date on 29 August 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 13 August 2021 with SLDC as mortgagor and BDO as mortgagee, and

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

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

On 04 August 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 5 August 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.

Omnibus Loan and Security Agreement between BPI and Bhavana

On 22 November 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 13th 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.

Omnibus Loan and Security Agreement between BPI and Bhavya

On 22 December 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 13th 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 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.

Contract to Sell Facility between CLLC and AUB

An agreement for the establishment of a ₱1.0 billion contract to sell facility ("CTS Facility") was executed by CLLC and Asia United Bank ("AUB") in October 2019. The facility was drawn in tranches and was fully drawn as of 22 May 2020.

On 18 December 2020, CLLC and AUB executed a Memorandum of Agreement which renewed the CTS Facility and increased the amount to ₱2.0 billion, inclusive of the ₱1.0 billion amount that had been drawn under the earlier CTS Facility. As of 31 July 2021, CLLC has drawn ₱1,449.3 million from this CTS facility.

On 24 December 2021, CLLC and AUB executed a Memorandum of Agreement for the amount of ₱550,000,000.00. CLLC may avail of the loan until 30 April 2022.

Contract to Sell Facility between CLLC and Robinsons Bank

In December 2020, CLLC and Robinsons Bank executed a Credit Facility Agreement for the grant of a ₱1 billion Receivables Purchase Line for financing receivables from buyers of units and parking slots in Cebu Exchange. The facility has a maturity date of up to twenty-four months from the date of the purchase of the receivables by Robinsons Bank or the remaining term of the receivables whichever comes earlier. As of 31 May 2021, CLLC has fully drawn on this facility.

Contract to Sell Facility between SLDC and AUB

An agreement for the establishment of a ₱1.0 billion 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 30 September 2022, SLDC has not drawn from this CTS facility.

Contract to Sell Facility between Cazneau and AUB

An agreement for the establishment of a ₱500 million contract to sell facility ("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 30 September 2022, Cazneau has not drawn from this CTS facility.

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 of which P250 million has been drawn to date and the balance of ₱100 million is still available.

(ii) ₱300 million short-term unsecured facility which is fully drawn to date and ₱10 million bills purchase line with CTBC Bank;

(iii) ₱50 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) ₱150 million short-term, unsecured facility with BPI of which P50 million has been drawn to date and the balance of ₱100 million is still available;

(v) ₱500 million unsecured revolving credit line with Philippine National Bank ("PNB");

(vi) ₱1.3 billion unsecured, short-term facility with Union Bank Trust of which ₱600 million has been drawn to date;

₱500

(vii) ~~₱100~~ million revolving promissory note line with Robinsons Bank.

CLLC secured the following short-term unsecured loan facilities:

(i) a ₱1.0 billion short-term, unsecured facility with Union Bank which is fully drawn to date;

(ii) a ₱1.0 billion unsecured, short-term facility with Union Bank Trust which is fully drawn to date.

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 2 September 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 23 September 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 15 March 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 15 March 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 15 March 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 22 November 2021, Bhavana Properties issued a letter of award to Monocrete Construction Philippines, Inc. for CP02 General Construction Works construction contract over Lucima.

On 9 July 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 7 February 2022, Cazneau issued a letter terminating the engagement of ICC as of 5 February 2022. The letter cited ICC to be in material breach of its obligations under the construction contract for Sevina Park Villas.

On 2 May 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 2 May 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 13 May 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 30 June 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 22 November 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.

5. Acquisition of Property

On 29 January 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.

DISTRIBUTION METHODS

ALCO employs four sales directors in charge of overseeing the sales efforts of the Company's sales infrastructure. The Company engages the services of thirteen sales managers, sixteen deputy sales managers and forty 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 technological know-how from a technical team, 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 believes that given the desirability of the project locations, its strict adherence to quality, innovation and sustainability, its competitive pricing schemes and commitment to its projects even after sales, it will be able to compete effectively.

ALCO considers two (2) direct competitors in the high-end residential market segment in terms of relative 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 therefore, have stronger brand equity, longer track record, and financial mileage. 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 intends to primarily capitalize on its niche market by developing projects in distinct locations, which are unique and special in terms of design, and sustainable and wellness features. ALCO is the pioneer in sustainable developments being the first and only company to have all of its projects multi-certified with LEED, BERDE, EDGE and WELL. It intends to continue to provide distinctive products with better quality at more competitive pricing. ALCO believes it can achieve this given its substantially lower overhead costs, being a relatively leaner organization.

INDUSTRY OVERVIEW

With the improvement in mobility and progressive lifting of restrictions despite the continuation of the COVID-19 pandemic, we saw the Philippine economy register consistent strong growth per quarter from Q1 2021 to Q1 2022, during which GDP growth was at 12.1% and 8.3% year-on-year respectively. The Philippines' GDP is widely expected to return to pre-pandemic levels within the year and to outperform neighboring countries in the region with expected GDP growth for full year 2022 ranging from 6.5% to 7.5%. The new Marcos administration is expected to carry out a policy that will be largely tolerant of new waves from the COVID-19 pandemic instead of using further lockdowns as a primary tool to contain transmission. With this, we look forward to continued growth, albeit not without headwinds from the global front given the effects of the Russia-Ukraine war, the sustained high inflation in the US and the corresponding over-all tightening of monetary policies in various countries.

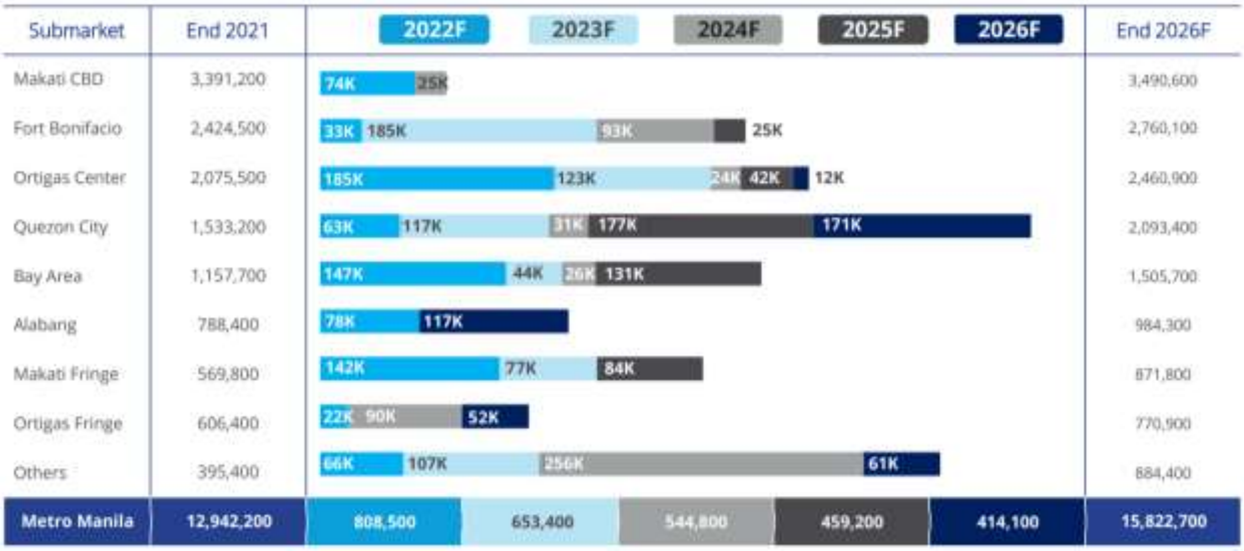
Fundamentally, the Philippines' attractiveness as a business location remains strong, given that rental rates and capital values in Metro Manila and other urban areas remain lower than most of the developed countries in the region. In addition, the Philippines continues to offer a supply of young, educated 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 decline over time as more transactions for new office space are observed within the first half of 2022 given return to office protocols of companies. We expect vacancy to go down and for rental rates to recover consistently for the residential sector from 2022 to 2023.

Office Segment – Metro Manila

Office Stock. By the end of 2022, the total supply of office space in Metro Manila is expected to be at 13.8 million sqm and is expected to increase to 15.8 million sqm by the end of 2026. The central business districts of Makati City and Fort Bonifacio accounted for almost 43% of total office space by year-end 2022. From 2022 to 2026, the bulk of new office supply is expected to come from the Quezon City, Ortigas, Fort Bonifacio and Bay Area central business districts. Supply of new office space is expected to taper off from 2023 to 2026.

Metro Manila Annual Office Supply
(in sqm of GLA)



Source: Colliers International 2022 Q2 Property Briefing

Demand. In its Q2 2022 briefing, Colliers International noted the sustained improvement in the level of transactions in the office sector which posted a 62% increase in volume of office space transacted in the first half of 2022 over the same period in 2021. IT-BPM and traditional sectors continued to provide a stable source of demand for office space during the first half of 2022.

The over-all vacancy in Metro Manila was at 17.7% as of the end of Q2 2022 which posted an increase over the vacancy of 12.7% as of end of Q2 2021. Vacancy is expected to increase further to 18.2% between 2022 to 2023 due to the completion of several office projects during this period which is tempered by an increase in transactions for office space. Among the different business districts, Fort Bonifacio and Makati CBD experienced more benign vacancy rates at 10.1% and 9.7% respectively. The excess supply is expected to be absorbed over the next years as net take-up is expected to rebound beginning this year. In its Q2 2022 briefing, Colliers International noted that there is an observable increase in transactions for POGO space recently and that if the demand from this segment continues then the decline in vacancy rates will be even faster.

Lease rates. Average lease rates in Metro Manila are expected to decline in the short-term by 7%. However, with the expected continued improvement in volume of office transactions and the tapering off new supply in the coming years, recovery is expected to take effect by 2023. Among the business districts in Metro Manila, premium and grade A office spaces in Makati CBD continued to command the highest headline average lease rate per sqm at P 1,300 – 1,800 per sqm, albeit slightly lower than headline rates as of Q2 2021 which ranged from ₱1,400 to ₱1,800 per sqm. Meanwhile, headline lease rates for Grade A office space in Fort Bonifacio held steady at P 1,000 – 1,600 per sqm as of Q2 2022.

Office Segment – Cebu

As of Q2 2022, Cebu had total office stock of 1.38 million sqm of leasable space. The completion of Phase 2 of Cebu Exchange in the first half of 2022 represented substantially all the 74,500 sqm new office space in Cebu for the period. With its completion, Cebu Exchange, which is located at the entry to the Cebu IT Park, added to the office stock of the Cebu IT Park which is currently the largest central business district in Cebu with about 39% share of total office stock. Between 2022 to 2025, additional office stock is expected to be built largely in Cebu IT Park.

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.

With the easing of restrictions related to the COVID-19 pandemic in the first half of 2022, vacancy rates in the prime central business districts of Cebu Business Park and Cebu IT Park started to ease down from 20.3% and 34.2% as of the end of Q1 2022 to 20.0% and 32.2% as of the end of Q2 2022. However, Colliers International noted the sustained increase in the level of transactions for office space for H1 2022 which saw a 147% increase over the number of transactions in H1 2021 driven by demand from the IT-BPM and traditional companies which form the core sources of demand for office space in Cebu for the past years. For full year 2022 to 2023, 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 remain steady at about 25% during this period.

Key Figures - Grade A Office

Q2 2022	**Cebu Business Park**	**Cebu IT Park**	**Cebu**
Current stock (sqm)	426,200	542,400	1,380,000
Development pipeline H2 2022 to 2025 (sqm)	19,000	59,000	232,000
Range of headline lease rates (₱/sqm/month)	500 to 750	550 to 750	350 to 750
Vacancy rate (%)	20.0%	32.2%	27.7%

Source: Colliers International Q2 2022 Property Briefing

Residential Segment

Metro Manila Annual Residential Supply (in condominium units)

The outlook for residential real estate sector is positive in the near term given the completion of condominium projects which were paused or delayed as a result of COVID-19 restrictions, expected decline in residential vacancy and recovery of rental rates and prices. We further expect new launches of residential projects to push through in the near-term.

As of year-end 2021, there were about 142 thousand condominium units in Metro Manila. In 2022, an additional 10,100 units is expected of which about 60% 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 2024, 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 drop across all business districts. Average vacancy as of Q2 2022 is at 17.5% and is expected to go down to 17.3% by the end of the year. The vacancy is expected to go down further in 2023. As a result, we expect residential rental rates to improve consistently between 2022 to 2024. Notably, there is a sustained demand for luxury projects which saw strong sales within the first half of 2022.

Location	End-2021	2022F	2023F	2024F	End-2024	% Change (2024 vs. end of 2021)
Alabang	4,880	780	-	710	6,370	30.5%
Araneta City	4,550	-	600	-	5,140	13.0%
Eastwood City	9,630	-	-	-	9,630	0.0%
Fort Bonifacio	40,320	1,420	810	1,300	43,840	8.7%
Makati CBD	28,550	210	450	470	29,680	4.0%
Bay Area	30,260	6,030	3,710	4,150	44,140	45.9%
Ortigas Center	18,730	1,100	-	1,930	21,760	16.1%
Rockwell Center	5,270	560	-	-	5,830	10.8%
Total	142,190	10,100	5,560	8,550	166,390	17.0%

Source: Colliers International Q2 2022 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, Build, Build program achieve completion and the expected recovery of the economy as a result of its strong fundamentals.

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 Offer Supplement 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
Sasaki and Associates	Masterplanner for Sevina Park
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
GF and Partners, Architects	Architecture Services (Architect of Record)
Aidea Inc.	Architecture Services (Architect of Record)
Arcadis Philippines Inc.	Quantity Surveyor for Arya, ACPT, Cebu Exchange and Savya
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

DEPENDENCE ON CERTAIN CUSTOMERS

The Company has a broad customer base and is not materially dependent on a single or a few customers.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

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 and equity infusion to fund certain financial obligations. The advances to MPI, UPHI, Cazneau, Emera and ZLDC are non-interest bearing, unsecured and settled in cash whenever possible. The advances to CLLC and SLDC are interest-bearing and unsecured.

Please refer to page 163 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", and "Sevina Park". The tradename "Arya Residences" now belongs to Arya Residences Condominium Corporation.

As of the date of this Offer Supplement, 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	19 January 2017	19 January 2028
Arthaland Future Proof by Design		4-2019-003408	1 August 2019	1 August 2030
Arya Residences		4-2019-003407	11 July 2019	10 July 2030
Sevina Park		4-2019-006509	3 October 2019	3 October 2030
Savya Financial Center		4-2019-006508	22 April 2019	29 December 2030
ARTHALAND Building Sustainable Legacies		4-2019-018161	9 October 2020	9 October 2031
Cebu Exchange		4-2019-003406	5 March 2019	18 December 2031

NEED FOR GOVERNMENT APPROVAL FOR PRINCIPAL PRODUCTS OR SERVICES

ALCO secures various government approvals such as Environmental Compliance Certificates (ECCs), development permits and licenses to sell as part of its normal course of business.

ALCO does not foresee any material or adverse effect of existing and probable government regulations on its business.

As of the date of this Offer Supplement, 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 2302	Bureau of Internal Revenue (BIR)	OCN 8RC0000050946 TIN 004-450-721-000	01-Jan-96	N/A
2. Business Permit	City of Taguig	LCN-20-004292	19-Jan-22	31-Dec-22
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-001626, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-005183	20-Jan-22	31-Dec-22
5. Fire Safety Inspection Certificate	Taguig City Fire Station IV, FDIV-NCR, Bureau of Fire Protection	16-1846010	31-May-21	31-May-22
6. Employer Data Form	Home Development Fund (Pag-IBIG)	Registration Tracking No. 800170013567	N/A	N/A
7. Certificate of Employer's Registration	Pag-IBIG	Employer No. 204213480002	31-Aug-16	N/A
8. Certificate of Employer's Registration	Social Security System (SSS)	SSS Employer No. 03-9211531-5-000	23-Aug-16	N/A
9. Certificate of Employer's Registration	PhilHealth	PhilHealth Employer No. 001000014010	23-Aug-16	N/A
10. Unified Registration Record	SEC, BIR, Pag-IBIG, SSS, PhilHealth	SEC Registration No. CS201518355 TIN 009-129-450-000	N/A	N/A

		Pag-IBIG Employer Number (Employer ID) 205669160009 Philhealth Employer Number (PEN) 001000041180 SSS Employer Number (ER No.) 0395044218		
11. Certificate of Registration	Philippine Economic Zone Authority (PEZA)	Certificate of Registration No. 08-10-F (IT)	16-Apr-09	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	12-Jan-18	N/A
2. Business Permit	City of Taguig	LCN-11-017193	13-Jan-21	31-Dec-21
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 015281, s. 2021	04-Jan-21	N/A

Urban Property Holdings, Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2302	Bureau of Internal Revenue (BIR)	OCN 9RC0000374352 TIN 004-477-699-000	01-Jan-96	N/A
2. Business Permit	City of Taguig	LCN-20-004561	19-Jan-22	31-Dec-22

3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-001639, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-004821	20-Jan-22	31-Dec-22

Cazneau, Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2302	Bureau of Internal Revenue (BIR)	OCN 9RC0000373071 TIN 007-089-627-000	31-Jul-08	N/A
2. Business Permit	City of Taguig	LCN-20-004560	20-Jan-22	31-Dec-22
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-001661, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-004950	20-Jan-22	31-Dec-22

Manchesterland Properties, Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2302	Bureau of Internal Revenue (BIR)	OCN 9RC0000392698 TIN 006-939-384-000	27-Mar-08	N/A
2. Business Permit	City of Taguig	LCN-20-011924	20-Jan-22	31-Dec-22

3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-001641, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-005091	20-Jan-22	31-Dec-22

Emera Property Management, Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration-BIR Forms 2302	Bureau of Internal Revenue (BIR)	OCN N/A TIN 007-089-597-000	28-Dec-15	N/A
2. Business Permit	City of Taguig	LCN-20-004559	20-Jan-22	31-Dec-22
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-001660, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-002775	20-Jan-22	31-Dec-22

Zileya Land Development 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)	OCN 9RC0000447436 TIN 009-195-830-000	28-Dec-15	N/A
2. Business Permit	City of Taguig	LCN-20-020068	19-Jan-22	31-Dec-22

3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-001643, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-005084	20-Jan-22	31-Dec-22
5. Locational Clearance	City Planning and Development Office, Taguig City	Decision No. 1-0084-16	14-Jan-16	N/A

Cebu Lavana Land Corp.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2302	Bureau of Internal Revenue (BIR)	OCN 9RC0000263458 TIN 009-129-450-000000	02-Oct-15	N/A
2. Business Permit	City of Taguig	LCN-20-019642	20-Jan-22	31-Dec-22
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-001625, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-004878	20-Jan-22	31-Dec-22
5. Locational Clearance	City Planning and Development Office, Taguig City	Decision No. 4-0614-15	13-Oct-15	N/A

Savya Land Development 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)	OCN 9RC0000882334E TIN 009-559-200-000	27-Feb-17	N/A
2. Business Permit	City of Taguig	LCN-20-023117	20-Jan-22	31-Dec-22
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-001640, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-004920	20-Jan-22	31-Dec-22

Bhavya Properties Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration-BIR Forms 2302	Bureau of Internal Revenue (BIR)	OCN 9RC0000542173 TIN 010-364-838-000	22-Jul-19	N/A
2. Business Permit	City of Taguig	LCN-20-030209	20-Jan-22	31-Dec-22
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-001663, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-004889	20-Jan-22	31-Dec-22

Bhavana Properties Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration-BIR Forms 2302	Bureau of Internal Revenue (BIR)	OCN 9RC0000539799 TIN 010-359-930-000	16-Jul-19	N/A
2. Business Permit	City of Taguig	LCN-20-030020	20-Jan-22	31-Dec-22
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. D-001624, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-004939	20-Jan-22	31-Dec-22
5. PhiVocs Certificate	UP Campus, Diliman, Quezon City	HAS-Oct-19-1214	18-Oct-19	N/A

Pradhana Land Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration-BIR Forms 2302	Bureau of Internal Revenue (BIR)	OCN 9RC0000551996 TIN 010-397-407-000	10-Sep-19	N/A
2. Business Permit	City of Taguig	LCN-20-030746	20-Jan-22	31-Dec-22
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Seial No. D-001642, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health	A4 2001-004947	20-Jan-22	31-Dec-22

	Officer, Taguig City			

Kashtha Holdings, Inc.

Name of Permit	Issuing Agency	License/ Permit No.	Issue Date	Expiry Date
1. Certificate of Registration- BIR Forms 2302	Bureau of Internal Revenue (BIR)	OCN 9RC0000551429 TIN 010-410-757-000	02-Oct-19	N/A
2. Business Permit	City of Taguig	LCN-20-030863	20-Jan-22	31-Dec-22
3. Barangay Business Clearance	Barangay Fort Bonifacio, City of Taguig	Seial No. D-001637, s. 2022	14-Jan-22	N/A
4. Sanitary Permit to Operate	Office of the City Health Officer, Taguig City	A4 2001-004951	20-Jan-22	31-Dec-22

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	15-Oct-14	N/A
2. HLURB Development Permit	HLURB	D.P. No. 15-07-042	02-Jul-15	N/A
3. Environmental Compliance Certificate as amended	DENR	ECC-NCR-0810-107-5010	18-June-18	N/A
4. Certificate of Installation of Earthquake Recording Instrumentation	Office of the Building Official, City of Taguig	N/A	10-July-18	N/A

5.	Certificate of Occupancy	Office of the Building Official, City of Taguig	15-2017-0290	29-Jun-17	N/A
6.	Permit to Operate Air Pollution Source Installation	DENR - EMB	POA No. 20-POA-J-137607-395	30-Jan-20	21-Oct-23
7.	Certificate of Compliance	ERC	COC No. 18-05-S-03498L	27-May-18	26-May-23
8.	ECC Amendment	DENR EMB NCR	ECC-NCR-1410-0384	18-Jun-18	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	26-Apr-10	N/A
2.	Zoning Certification	HLURB	N/A	28-Aug-09	N/A
3.	License to Sell (Sale of units in Tower 1)	HLURB	No. 23693	13-Oct-10	N/A
4.	License to Sell (Sale of units in Tower 2)	HLURB	No. 25103	25-Nov-11	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	06-Mar-2014 and 20-Aug-15	N/A
6.	Zoning Certification	HLURB	N/A	28-Aug-09	N/A
7.	Environmental Compliance Certificate	DENR-EMB	ECC Ref. Code ECC-NCR-0907-0645	13-Oct-11	N/A
8.	Fire Safety Evaluation Clearance	Taguig City Fire Department	Tower 1: R16-20231 Tower 2: R16-191699	Tower 1: 10-July-12 Tower 2: 7-July-15	N/A

9.	Certificate of Installation of Earthquake Recording Instrumentation	Office of the Building Official, City of Taguig	N/A	21-Sept-16	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	6-Mar-14 and 20-Aug-15	N/A
11.	Barangay Clearance	Barangay Fort Bonifacio, City of Taguig	Serial No. 005480	16-Jan-19	N/A
12.	Permit to Operate Air Pollution Source Installation	DENR - EMB	POA No. 20-POA-J-137607-237	21-Dec-20	28-Oct-25
13.	BESC Estate Clearance Certificate	Bonifacio Estate Services Corporation	No. CAA014-2018	8-May-19	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	09-Nov-20	N/A
2.	Locational Clearance	City Planning and Development Office, City of Cebu	Locational Clearance No. LC21-02-05-11	05-Apr-21	N/A
3.	HLURB Development Permit	HLURB	DP No. R7-021-0564	09-Mar-21	N/A
4.	HLURB Preliminary Approval and Locational Clearance	HLURB	PALC No. R7-021-0814	09-Mar-21	N/A
5.	Environmental Compliance Certificate	DENR-EMB	ECC-OL-R07-2021-0052	11-Feb-21	N/A
6.	Fire Safety Evaluation Clearance (Project Union)	Cebu City Fire Station, Cebu Provincial Office, Bureau of Fire Protection	FSEC No. R 07-041174	10-May-21	N/A

7.	Permit/License to Sell	HLURB Central Visayas	License No. LS-R07-21-061	05-Jul-21	N/A
8.	Certificate of Registration	HLURB Central Visayas	CR-R07-21-039	05-Jul-21	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	08-Mar-13	N/A
2.	Locational Clearance	City Planning and Development Office, City of Cebu	Locational Clearance No. LC16-02-03-02	21-Apr-16	N/A
3.	HLURB Development Permit	HLURB	CVR-016-0397	20-Jul-16	N/A
4.	HLURB Preliminary Approval and Locational Clearance	HLURB	CVR-016-0647	20-Jul-16	N/A
5.	Environmental Compliance Certificate	DENR-EMB	ECC-R07-06160009	8-Jul-16	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	19-Jan-17	N/A
7.	Fire Safety Evaluation Clearance (Fee Gallery)	Cebu City Fire Station, Cebu Provincial Office, Bureau of Fire Protection	FSEC No. R 07-001231	3-Nov-17	N/A
8.	Certificate of Site Zoning Classification	HLURB Central Visayas	N/A	1-Feb-17	N/A

9.	Permit/License to Sell	HLURB Central Visayas	License No. 032788	11-Sept-17	N/A
10.	Certificate of Registration	HLURB Central Visayas	No. 028434	11-Sept-17	N/A
11.	Advertisement Approval (Billboards, AVP, and brochure approvals)	HLURB Central Visayas	N/A	7-Aug-18 and 28-Mar-19, 14-Jan-19, and 14-Jan-19	N/A
12.	PEZA Board Resolution	PEZA	Resolution no. 16-726	19-Dec-16	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	9-Jul-18	N/A
2.	Locational Clearance	City Planning and Development Office, Taguig City	Decision No. 4-1515-18	24-Oct-18	N/A
3.	Development Permit	HLURB	D.P. No. 18-10-070	23-Oct-18	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	1-Mar-19	N/A
5.	Certificate of Registration	HLURB	CR No. 029476	11-Feb-19	N/A
6.	License to Sell (Towers 1 and 2)	HLURB	License to Sell No. 034553	11-Feb-19	N/A
7.	License to Sell (Tower 2)	HLURB	License to Sell No. 034615	1-Jul-19	N/A
8.	Environmental Compliance Certificate (ECC) Tower 1	DENR EMB NCR	ECC-OL-NCR-2018-0190	24-Aug-18	N/A

9.	Environmental Compliance Certificate (ECC) Tower 2	DENR EMB NCR	ECC-OL-NCR-2018-0213	11-Sept-18	N/A
10.	Laguna Lake Development Clearance	LLDA DENR	LLDA No. 01610	9-Nov-18	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	18-Feb-19	N/A
2.	Certificate of Registration	HLURB	029827	17-Jun-19	N/A
3.	Permit/License to Sell	HLURB	034445	17-Jun-19	31-May-24
4.	Environmental Compliance Certificate	DENR - EMB	ECC-OL-R4A-2019-0119	21-Mar-19	N/A
5.	LLDA Clearance	LLDA	BIN21743	22-May-19	N/A
6.	Zoning Certificate	HLURB STR	HLURB Certification no. 19-266-04	17-Jun-19	N/A
7.	Certificates of Occupancy	Office of the Building Official, City of Binan	Certificate No. 122100761 Certificate No. 122100762 Certificate No. 122100763	17-Dec-21	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	18-Sept-18	N/A
2.	Certificate of Occupancy	Office of the Building Official, City of Binan	Certificate No. 091800498	26-Sept-18	N/A
3.	Certificate of Registration	HLURB	N/A	N/A	N/A

UNA Apartments

	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	10-Nov-21	N/A
2.	Locational Clearance	City Planning and Development Office, City of Binan	Application No. 012200058	31-Jan-22	N/A
3.	Development Permit	City Planning and Development Office, City of Binan	AP-2040-002-2021	03-Nov-21	N/A
4.	Provisional Certificate of Registration	DSHUD	No. 591	28-Jun-22	N/A
5.	Provisional License to Sell	DSHUD	No. 767	28-Jun-22	N/A
6.	Environmental Compliance Certificate	DENR - EMB	ECC-OL-R4A-2019-0119	21-Mar-19	N/A
7.	Certificate of Site Zoning Classification	DSHUD	DSHUD Certification no. 22-107-04	14-Jun-22	N/A

Sevina Commercial Lots

	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	03-Nov-21	N/A
2.	Provisional Certificate of Registration	DSHUD	No. 592	27-Jun-22	N/A
3.	Certificate of Site Zoning Classification	DSHUD	DSHUD Certification no. 22-108-04	14-Jun-22	N/A
4.	Provisional License to Sell	DSHUD	No. 768	27-Jun-22	N/A
5.	Environmental Compliance Certificate	DENR - EMB	ECC-OL-R4A-2019-0119	21-Mar-19	N/A
6.	Certificate of Site Zoning Classification	DSHUD	DSHUD Certification no. 22-108-04	14-Jun-22	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	07-Mar-22	N/A
2.	HLURB Development Permit	HLURB	DP No. 22-01-002	21-Jan-22	N/A
3.	Environmental Compliance Certificate	DENR-EMB	ECC-OL-NCR-2020-0185	20-Dec-20	N/A
4.	Temporary License to Sell	HLURB	No. NCR - 001	27-Apr-22	N/A

5.	Certificate of Registration	HLURB	No. 163	27-Apr-22	N/A
6.	Permit/License to Sell	HLURB	License No. 457	27-Jul-22	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 30 September 2022, ALCO had a total of 132 personnel, 58 of whom are in management and 74 are non-managers. As of the same period, ALCO also engaged 108 sales agents.

The above personnel are not covered by a collective bargaining agreement.

Over the next 3 months, the Company estimates that it will have additional 52 employees of which 15 are in management and 37 are non-managers.

The above information as well as a summary of benefits and incentives for each employee class is summarized below:

Classifications	Headcount as of 30 September 2022	Estimated additional employees over the next 3 months	List of Benefits and Incentives
STAFF	74	37	Uniform Allowance Communication Allowance HMO Group Life and Accident Insurance Retirement Program
MANAGER	39	12	Car Plan Gas Allowance Communication Allowance HMO Group Life and Accident Insurance Retirement Program
SR. MANAGEMENT	19	3	Car Plan Gas Allowance Communication Allowance HMO

			Group Life and Accident Insurance Retirement Program
TOTAL	**132**	**52**	

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 is presently mortgaged with BDO Unibank, Inc.

Cazneau is the registered owner of the eight-hectare property in Biñan City, Laguna, on which will be established the Sevina Park, a masterplanned 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.

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.

UPHI is the registered owner of a 33-hectare raw land[6] 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.

BOOK VALUE OF BATANGAS PROPERTIES

Based on available records, it is the understanding of the Company that the Batangas Properties[7], 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 the 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.

[6]The carrying value of this property amounts to ₱149.80 million. Based on the appraisal report dated 5 February 2014, the fair value of the land amounted to ₱349.8 million.
[7]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)

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 15 April 2008.

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[8], 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 31 December 2011 Audited Financial Statements of the Company. The same information was disclosed in the Note 7(d) of the 31 December 2008 Audited Financial Statements of the Company. The carrying values of these properties reflect the fair value for each reporting period - consistent with the Company's accounting policies in reporting Investment Properties.

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8 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.

OPERATING LEASE COMMITMENTS — GROUP AS LESSOR

ALCO entered into various lease agreements for ACPT office units for periods ranging from one (1) year to ten (10) years. Majority of lease agreements include an annual escalation clause of 5% of the existing lease rental but do not 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 agreements also provide for various escalation rates for the duration of the lease.

Leasing revenue recognized from these operating leases amounted to ₱325.5 million in 2021, ₱ 371.6 million in 2020, and ₱321.9 million in 2019. As at 31 December 2021 and 2020, respectively, lease receivables amounted to ₱153.5 million and ₱88.9 million; accrued rent receivable amounted to ₱ 66.2 million and ₱89.6 million; advance rent from tenants amounted to ₱39.3 million and ₱36.2 million; and security deposits, which may be applied to unsettled balances or refunded at the end of the lease term, amounted to ₱83.3 million and ₱81.1 million.

In 2018, Cazneau entered into a MOA with a university for the development of a dormitory and the guaranteed procurement by the university of lessees of two hundred (200) beds. The lease term for individual lessees shall be a period of four (4) months with required security deposit equivalent to one and a half of the monthly rental. This agreement ended in August 2021. Nevertheless, Cazneau is currently in discussions for the execution of a new MOA between Cazneau and De La Salle University for the guaranteed lease of 150 beds for a period of one academic year.

As of 30 September 2022, the following are the relevant information on the leases:

Project	NLA	% Leased out	Escalation	Expiry
ACPT	32,016* sqm	100%*	5% pa from 2nd to 3rd year of lease term	Substantially all contracts contain lease terms expiring on various dates from 2023 to 2028
ARYA	1,968 sqm	100%	5% pa from 2nd year of lease term for 53.2% of leased area. There is no escalation provision for the	Various dates from July 2023 to February 2027

			balance 46.8% of the leased area.	
COURTYARD HALL	348 beds	53%	3% pa	2022

*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.

OPERATING LEASE COMMITMENTS — GROUP AS LESSEE

ALCO was a lessee under non-cancellable operating lease over a property where its previous principal office was situated, but this was terminated when ALCO transferred its principal office to ACPT on 15 November 2018.

There have been no future minimum rental payables under non-cancellable operating leases since 2018.

For short-term and low value leases, rent expense recognized amounted to ₱1.4 million for the period ended June 2022, and in full year, ₱2.3 million in 2021, ₱3.0 million in 2020, and ₱1.7 million in 2019.

Legal Proceedings

As of the date of this Offer Supplement, 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 the bank 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 bank's Trust Department. 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 08 May 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, after careful and thorough evaluation of the options available to ALCO, it is deemed more appropriate to have all its claims against EIB ventilated before the liquidation court itself, the Regional Trial Court of Makati City, Branch 149, pursuant to Administrative Matter No. 19-12-02 or the *Rules on Liquidation of Closed Banks* ("*Rules*") on 16 April 2020. ALCO will thus be filing the proper pleading accordingly in the subsequent days.

2. **Quieting of Title**

   Urban Property Holdings, Inc. (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 16 December 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 05 June 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[9] filed an appeal before the Court of Appeals. The parties have filed their respective pleadings and are awaiting resolution of the matter.

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 intends to amicably settle 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. An amicable settlement with the National Transmission Corporation could allow UPHI to recoup the cost of the parcel expropriated by NAPOCOR. Such settlement is still under discussion.

4. Claim for Refund

a. A buyer[10] offered to purchase a unit in Arya Residences, paid the reservation fee and signed the Reservation Agreement which reads, in part, that should the buyer "fail to pay any of the amounts due xxx, the Seller shall have the sole option to (i) cancel the sale and forfeit in its favor all payments made xxx." A total of ₱950,000.00 was paid in a span of less than one (1) year and the buyer defaulted in the rest of the obligations. The sale was, therefore, cancelled accordingly. The buyer demanded a refund of all payments made, as well attorney's and appearance fees, by filing a complaint before the Housing and Land Use Regulatory Board (HLURB)[11] in May 2017.

   In a Decision dated 19 January 2018, the HLURB dismissed the complaint for lack of merit, primarily because of Republic Act No. 6552, otherwise known as the "Realty Installment Buyer Protection Act". For a buyer to be entitled to refund, he or she must have paid at

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[9] *The lone defendant who appealed is Ms. Rosalinda Reyes.*
[10] *The complainant is Ms. Bernadette Villaseñor.*
[11] *Now Department of Human Settlements and Urban Development.*

least two (2) years of installments, and even then, only the cash surrender value of the payments shall be refunded, which is equivalent to 50% of the total payments made.

b. A buyer[12] 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.

   In a Decision dated 05 April 2019, ALCO was directed to refund to the buyer ₱942,718.53 and pay attorney's fees and actual damages in the total amount of ₱70,000.00.

   On 15 May 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 01 October 2021 on the ground of lack of jurisdiction per Section 42 of the Implementing Rules and Regulations of Republic Act (R.A.) No. 11201[13], *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 the 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 latter should have looked into the merits of the case accordingly and not deny the appeal on a technicality.

5. Labor

a. In an Order dated on 03 July 2017, the Department of Labor and Employment (DOLE) found ALCO non-compliant with certain labor standards per Rules 1020, 1030, 1040, 1050 and 1065. Records, however, show that ALCO is in fact compliant. A Memorandum of Appeal was filed in October 2017 because serious errors in the finding of facts were committed by DOLE which, if not corrected, would cause grave or irreparable damage or injury to ALCO. Among the reliefs sought are the recall of the Order for Compliance and a finding that ALCO is fully compliant with labor laws and occupational health and safety standards.

[12] *The complainant is Ms. Anita Medina-Yu.*
[13] *Department of Human Settlements and Urban Development Act*

In a Resolution dated 24 March 2021, the DOLE granted ALCO's appeal and found the Order dated on 03 July 2017 complied with.

b. In an Order dated 29 November 2017, the DOLE found that ALCO did not comply and failed to effect corrective actions on noted deficiencies per Rules 1050, 1060 and 1065 within the period prescribed by the Labor Laws Compliance Officer. A Memorandum of Appeal was filed in February 2018 seeking, among others, the recall of the Order for Compliance and a finding that ALCO is fully compliant. ALCO did institute corrective measures and in fact completed the noted deficiencies prior to the issuance of the Order for Compliance.

   In a Resolution dated 20 April 2021, the DOLE granted ALCO's appeal and set aside the Order dated on 29 November 2017.

c. On 28 June 2022, a former Sales Agent[14] of Cebu Lavana Land Corp. (CLLC) filed a complaint against ALCO before the National Labor Relations Commission Regional Arbitration Branch No. VII, Cebu City claiming illegal suspension and demanding payment of back wages, separation pay, 13th month pay, incentive and damages. Summons was served on 04 July 2022. To date, no conference has been set before the Labor Arbiter and the parties have not been directed to file their Position Papers.

6. Liquidation Proceedings of Lessee

On 15 November 2021, Common Ground Works Philippines, Inc. (CGWPI), a lessor of ALCO for the 20th floor of Arthaland Century Pacific Tower, 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 19 November 2021 declaring CGWPI insolvent and dissolved. The appointed liquidator has taken his oath only recently.

ALCO's total claims against CGWPI amounts to ₱172,666,437.23 as of 29 July 2022. This represents unpaid rent and utilities, interest and penalties, and damages. ALCO filed its Statement of Claims on 14 September 2022.

7. Republic Act No. 26

CLLC filed a Petition to cancel the annotation on the certificate of title[15] of 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 02 March 1950. More than two years have lapsed since then, hence, the recorded encumbrance may now have canceled.

CLLC is scheduled to present its evidence on 04 October 2022.

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[14] *The complainantcomplainantcomplainant is Ms. Dior Ella O. Abad.*

[15] *Transfer Certificate of Title No. 107-2015002572*

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 04 October 2022, the Company had a total authorized capital of 16,368,095,199 common shares, of which 5,318,095,199 are issued and outstanding, and 30,000,000 preferred shares, of which 12,500,000 of the Series A Preferred Shares, 10,000,000 of the Series C Preferred Shares, and 6,000,000 of the Series D Preferred Shares are issued and outstanding.

Top 20 Stockholders

Common Shares (As of 30 September 2022)

Name of Shareholders		%
1. CPG Holdings, Inc.	2,017,619,910	37.938
2. PCD Nominee Corporation – Filipino	1,650,399,940	31.034
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. EQL Properties, Inc.	14,671,125	0.276
7. PCD Nominee Corporation – Non-Filipino	13,803,310	0.260
8. Urban Bank Trust Department – A/C No. 625	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	5,255,292,745	98.819

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 06 December 2021 and are now treasury shares of ALCO.

ALCO’s top stockholders of Series C Preferred Shares as of 30 September 2022 are as follows:

Name of Shareholders		%
1. PCD Nominee Corporation – Filipino	9,975,500	99.755
2. PCD Nominee Corporation – Non-Filipino	24,500	0.245
TOTAL	10,000,000	100.000

ALCO's top stockholders of Series D Preferred Shares as of 30 September 2022 are as follows:

Name of Shareholders		%
1. PCD Nominee Corporation – Filipino	5,677,220	94.6203
2. Knights of Columbus Fraternal Association of the Philippines, Inc.	240,000	4.0000
3. PCD Nominee Corporation – Non-Filipino	67,730	1.1288
4. G.D. Tan & Co., Inc.	13,000	0.2167
5. Knights of Columbus Fr. George J. Willman Charities, Inc.	1,000	0.0167
6. KC Philippines Foundation, Inc.	1,000	0.0167
7. Myra P. Villanueva	50	0.0008
TOTAL	6,000,000	100.000

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

As of 30 September 2022, 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. Gonzalez, *Stockholder*	Filipino	1,383,730,000 Direct	26.019

As of 30 September 2022, PCD Nominee Corporation (Filipino) is the holder of 1,650,399,940 Common shares, or 31.03% of the total issued and outstanding Common shares of ALCO.

ALCO is not aware of any voting trust agreements involving its shares.

As of 30 September 2022, to the best of ALCO's knowledge, no beneficial owner registered with the PCD Nominee Corporation holds more than five percent (5%) of a class of shares of the Company.

SECURITY OWNERSHIP OF MANAGEMENT

As of 30 September 2022, there are no shares held or acquired beneficially by any of the directors and executive officers of ALCO other than the nominal shares held by said directors and executive officers.

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	Fernan Victor P. Lukban *Independent Director*	Filipino	1 Direct and Beneficial Owner	0.00 %
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.

		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 that 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 Offer Supplement.

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 30 August 2016 and 07 September 2016, the Board of Directors 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 22 September 2016.

Pursuant to the board resolution approved on 07 September 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 14 December 2018, ALCO's Board of Directors 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. The issuance of Options constitutes an exemption transaction under Section 10.2 of the SRC, with exemption certified by the SEC under Resolution No. 081 (Series of 2010).

On 06 February 2019, stock options equivalent to a total of ₱55.4 million common shares were granted to qualified employees as defined under the stock option plan of the corporation.

FOREIGN EQUITY HOLDERS

Common shares owned by foreigners as of 30 September 2022 amount to 14,329,310 or 0.269% 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

Only the Common shares and the Preferred shares Series C and Series D of ALCO are presently traded in the Philippine Stock Exchange.

Below are the highlights of quarterly trading of the foregoing shares for the last three years:

Common

	2022			2021			2020		
Quarter	High	Low	Close	High	Low	Close	High	Low	Close
1	0.64	0.53	0.59	0.64	0.63	0.63	0.62	0.57	0.61
2	0.60	0.52	0.57	0.71	0.67	0.68	0.57	0.52	0.56
3	0.62	0.50	0.53	0.64	0.64	0.64	0.54	0.52	0.53
4				0.64	0.61	0.64	0.65	0.62	0.65

Preferred Series C

	2022			2021			2020		
Quarter	High	Low	Close	High	Low	Close	High	Low	Close
1	109.90	102.00	102.00	102.60	102.50	102.50	-	-	-
2	108.60	100.20	105.00	101.80	101.80	101.80	104.9	104.9	104.9
3	105.00	100.80	104.70	103.50	103.50	103.50	-	-	-
4	-	-	-	108.00	108.00	108.00	110	110	110

Preferred Series D

	2022			2021		
Quarter	High	Low	Close	High	Low	Close
1	525.00	512.00	518.00	N/A	N/A	N/A
2	519.00	505.00	505.00	N/A	N/A	N/A
3	509.00	450.00	499.00	N/A	N/A	N/A
4	-	-	-	525.00	500.00	512.50

The total shares issued and outstanding as of 30 September 2022 are as follows:

Common	-	5,318,095,199
Preferred Series A	-	12,500,000
Preferred Series C	-	10,000,000
Preferred Series D	-	6,000,000

As of 30 September 2022, the number of shareholders of record is as follows:

Common	-	1,932
Preferred Series A	-	1

Preferred Series C - 2
Preferred Series D - 7

ALCO's public ownership percentage is 29.906% as of 30 September 2022.

Dividends and Dividend Policy

ALCO declared cash dividends to Common stockholders, as follows:

Declaration Date	Record Date	Payment Date	Amount/Share
28 June 2013	26 July 2013	22 August 2013	₱0.012
10 March 2014	28 March 2014	22 April 2014	₱0.036
09 March 2015	23 March 2015	08 April 2015	₱0.012
28 February 2017	14 March 2017	07 April 2017	₱0.012
21 March 2018	06 April 2018	02 May 2018	₱0.012
21 June 2019	08 July 2019	31 July 2019	₱0.012
26 June 2020	10 July 2020	31 July 2020	₱0.012
25 June 2021	09 July 2021	30 July 2021	₱0.012
24 June 2022	11 July 2022	04 August 2022	₱0.012

ALCO declared cash dividends to holders of Preferred Shares Series B until the date these shares were redeemed, as follows:

Declaration Date	Record Date	Payment Date	Amount/Share
08 February 2017	24 February 2017	06 March 2017	₱1.76145
10 May 2017	25 May 2017	06 June 2017	₱1.76145
09 August 2017	23 August 2017	06 September 2017	₱1.76145
26 October 2017	24 November 2017	06 December 2017	₱1.76145
10 January 2018	09 February 2018	06 March 2018	₱1.76145
09 May 2018	23 May 2018	06 June 2018	₱1.76145
01 August 2018	16 August 2018	06 September 2018	₱1.76145
24 October 2018	12 November 2018	06 December 2018	₱1.76145
21 February 2019	01 March 2019	06 March 2019	₱1.76145
08 May 2019	22 May 2019	06 June 2019	₱1.76145
07 August 2019	22 August 2019	06 September 2019	₱1.76145
23 October 2019	15 November 2019	06 December 2019	₱1.76145
29 January 2020	14 February 2020	06 March 2020	₱1.76145
06 May 2020	21 May 2020	06 June 2020	₱1.76145
05 August 2020	19 August 2020	06 September 2020	₱1.76145
21 October 2020	13 November 2020	06 December 2020	₱1.76145
27 January 2021	15 February 2021	06 March 2021[16]	₱1.76145
05 May 2021	19 May 2021	06 June 2021[17]	₱1.76145
04 August 2021	20 August 2021	06 September 2021	₱1.76145
20 October 2021	16 November 2021	06 December 2021	₱1.76145

ALCO declared cash dividends to holders of Preferred Shares Series C, as follows:

16 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.
17 *Ibid.*

Declaration Date	Record Date	Payment Date	Amount/Share
08 August 2019	06 September 2019	27 September 2019	₱1.7319
23 October 2019	29 November 2019	27 December 2019	₱1.7319
29 January 2020	06 March 2020	27 March 2020	₱1.7319
06 May 2020	04 June 2020	27 June 2020	₱1.7319
05 August 2020	04 September 2020	27 September 2020	₱1.7319
21 October 2020	04 December 2020	28 December 2020	₱1.7319
27 January 2021	08 March 2021	27 March 2021[18]	₱1.7319
05 May 2021	07 June 2021	27 June 2021[19]	₱1.7319
04 August 2021	07 September 2021	27 September 2021	₱1.7319
20 October 2021	03 December 2021	27 December 2021	₱1.7319
23 February 2022	10 March 2022	28 March 2022	₱1.7319
04 May 2022	02 June 2022	27 June 2022	₱1.7319
05 August 2022	01 September 2022	27 September 2022	₱1.7319

ALCO declared cash dividends to holders of Preferred Shares Series D, as follows:

Declaration Date	Record Date	Payment Date	Amount/Share
26 January 2022	11 February 2022	03 March 2022	₱7.50
04 May 2022	19 May 2022	03 June 2022	₱7.50
05 August 2022	19 August 2022	03 September 2022[20]	₱7.50

No dividends were declared in 2016.

ALCO has not adopted a specific dividend policy for its common shares.

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 11 December 2020, the BOD of EPMI approved the declaration of cash dividends amounting to ₱2.0 million with record and payment date of 31 December 2020. ₱2.0 million with record and payment date of 31 December 2020.

On 24 February 2021, the BOD of EPMI approved the declaration of cash dividends amounting to ₱8.75M to stockholders of record as at 08 March 2021, to be paid on or before 15 March 2021.

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18 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.

19 *Ibid.*

20 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

On 18 March 2021, the BOD of CLLC declared cash dividends to stockholders of record as of 14 May 2021 amounting to P330 million which was fully paid on 29 October 2021. On 23 December 2021, the BOD declared cash dividends out of the unrestricted retained earnings as of 30 June 2021 amounting to P839 million to stockholders of record as of 23 December 2021 which was fully paid on 27 December 2021.

Directors and Executive Officers & Key Persons

The overall management and supervision of the Company is vested in its Board of Directors. 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 25 June 2021 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 Offer Supplement, 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	76	Chairman/Regular Director	24 June 2016-Present	Filipino
		Chairman/ Independent Director	6 June 2012 – 24 June 2016	
		Independent Director	21 May 2007 – 6 June 2012	
Jaime C. Gonzalez	76	President	01 March 2017 - Present	Filipino
		Vice Chairman/Regular Director	01 August 2016 – Present	
		Regular Director	06 June 2012 – 01 August 2016	
		Chairman/Regular Director	21 May 2007 – 06 June 2012	
Ricardo Gabriel T. Po	54	Vice Chairman/Regular Director	26 June 2015 - Present	Filipino
		Regular Director	28 March 2012 – 26 June 2015	
Jaime Enrique Y. Gonzalez	45	Regular Director	24 June 2011 – Present	Filipino
Christopher Paulus Nicolas T. Po	51	Regular Director	24 June 2011 - Present	Filipino
Cornelio S. Mapa, Jr.	56	Treasurer and Executive Vice President/Regular Director	25 June 2021 - Present	Filipino

Hans B. Sicat	62	Independent Director	30 June 2017 – Present	Filipino
Andres B. Sta. Maria	74	Independent Director	24 June 2016 – Present	Filipino
Fernan Victor P. Lukban	62	Independent Director	25 April 2011 – 23 June 2016 23 October 2019 – 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/President* – A. Soriano Corporation	April 2022 – Present
	Director/Executive Vice President/Chief Financial Officer – A. Soriano Corporation	April 2009 – March 2022
	Director – iPeople, Inc.	2016 – Present
Jaime C. Gonzalez	*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. Gonzalez	*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 - Present
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, is presently the Executive Vice President/Chief Financial Officer and Director of A. Soriano Corporation. 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, TO Insurance, 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 Masters degree in Business Administration from the Columbia Graduate School of Business in New York.

Jaime C. González, Filipino, presently the Vice Chairman and President of ALCO, is a graduate of Harvard Business School (MBA) and of De La Salle University in Manila, with degrees in B.A. Economics (*cum laude*) and B.S. Commerce (*cum laude*). Mr. González led the transition of ALCO in 2008 and started the vision of what the company is now. He is also the founder and the Chairman and Chief Executive Officer of AO Capital Partners, a financial and investment advisory firm with headquarters in Hong Kong. He is presently a member of the Board of Directors of a number of companies and was previously the Chairman of IP E-Game Ventures, Inc. which is involved in information technology and new media, retail/food and beverage, natural resources, and real estate and resort development. Apart from these, Mr. González is active in socio-cultural organizations such as the Philippine Map Collectors Society where he is the President, the World Presidents' Organization Philippine Chapter, Harvard Club of New York, Philippine Institute of Certified Public Accountants, and the International Wine and Food Society. He was previously an independent director of Euromoney Institutional Investor PLC (a UK publicly listed media company) and the Southeast Asia Cement Holdings, Inc. (a subsidiary of Lafarge S.A.). He was the Vice Chairman and President of the Philippine International Trading Corporation and a special trade negotiator (with an equivalent rank of Deputy Minister) of the country's Ministry of Trade then. Mr. González was once a partner of SGV & Co. with principal focus on assisting clients in establishing and/or arranging funding for projects throughout the Asian region.

Jaime Enrique Y. González, Filipino, is the founder and currently the CEO of IP Ventures, Inc., a leading venture group that owns businesses that represent large retail brands such as Highlands Coffee and Western Union. He is also the founder of IPVG Corp., E-games, and IP-Converge, Inc. which all listed on the Philippine Stock Exchange. He is a partner in the Kaikaku Fund (a Softbank-led fund), a venture capital focused on SE Asia, and a shareholder and director of Retail Specialist Inc., the exclusive retailer of Naturalizer and Florsheim brands in the Philippines. Enrique was IT Executive of the Year in 2008 and a finalist for the Ernst & Young Entrepreneur of the Year in 2011. He is also part of the Young Presidents Organization and sits on the Board of Trustees of Asia Society Philippines. He continues to hold the record of being the youngest person to have listed a company on the Philippine Stock Exchange at 27 years old. He has structured profitable exits such as PCCW Teleservices (sold to PCCW of Hong Kong), Prolexic Technologies (sold to Kennet Partners and eventually Akamai for over US$ 300.0MM), and Level-up Games (sold to Asiasoft). Enrique is a columnist for Philippine Star covering entrepreneurship and business under Business Life section. He is an active evangelist for attracting foreign capital and partners into the Philippines and has joined state visits under President Gloria Arroyo and President Rodrigo Duterte's state visit to China. He was instrumental in bringing in China Railway Engineering Corp (CREC), a Fortune 100 company, and Tianjin SULI cable (a Fortune 500 company) into the Philippines. Enrique went to Middlebury College, Asian Institute of Management and Harvard Business School. He is a Kauffman Fellow and part of the Class 21 Batch.

Christopher Paulus Nicolas T. Po, Filipino, is the Executive Chairman of Century Pacific Food, Inc., a food company listed in the Philippine Stock Exchange (PSE) and trading under the symbol CNPF. He concurrently serves as Chairman of Shakey's Pizza Asia Ventures, Inc., likewise a listed chain restaurant business trading under the symbol PIZZA. 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 *summa cum laude* 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) in 1991. He holds a Masters 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, as well as a member of the Board of 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 ALCO, who 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. He earned his Bachelor of Science degrees in Economics and International Finance from New York University, and obtained his Masters in Business Administration from International Institute for Management Development in Lausanne, Switzerland. Mr. Mapa, Jr. is a Director of DHL Summit Solutions, Inc. and was recently appointed as Independent Director of Radiowealth Finance Corporation.

Ricardo Gabriel T. Po, Filipino, is the Vice Chairman of Century Pacific Food, Inc., a food company listed in the Philippine Stock Exchange and trading under the symbol 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.

Fernan Victor P. Lukban, Filipino, is a leading consultant in Family Business, Strategy, Entrepreneurship and Governance. He advises family boards of over a dozen of the most progressive and better governed family businesses in the country. Over the recent years, he has put special focus in developing Base of the Pyramid Initiatives in various provinces in the Philippines. He spent much of his early professional years in the academe helping establish and grow the University of Asia & the Pacific where he still participates as a consultant, mentor and guest lecturer. Mr. Lukban obtained a degree in Mechanical and Industrial Engineering from the De La Salle University. He received his MBA from *Instituto de Estudios Superiores de la Empresa* and MSc in Industrial Economics from the University of Asia & the Pacific.

Hans B. Sicat, Filipino, has been involved with the global capital market for about three decades, being a trained mathematician and economist. He is currently the Country Manager for ING Bank, N. V., Manila Branch where he joined as a Managing Director in 2017. At present, he is a member of the Board of Trustees of the Investment House Association of the Philippines and is a Director of the Bankers Association of the Philippines. He is also the Chairman of YPO Gold (a global organization) for 2020-2021. Prior to this, he was the President and CEO of the Philippine Stock Exchange (PSE) which he assumed in 2011. He also served as its Chairman and Independent Director for about eighteen months beforehand. He was President and CEO of the Securities Clearing Corporation of the Philippines, a role he held concurrent with the PSE post, and was a Member of the Board of Directors of PSE and the Bankers Association of the Philippines from 2018 to 2019. Mr. Sicat finished his coursework for Ph.D. Economics Program at the University of Pennsylvania, Philadelphia, and earned his Master of Arts in Economics and Bachelor of Science in Mathematics at the University of the Philippines. He was conferred an Honorary Doctorate Degree in Business Administration by the Western University in Thailand. Mr. Sicat has diverse interests on the private side, spanning financial services, Knowledge Process Outsourcing and real estate. He is Acting Chairman of LegisPro Corporation, and an Independent Director of Serica Balanced Fund & Master Fund, Skycable Corporation, and TransNational Diversified Corporation. He is also on the Advisory Board of Fintonia Fund, which has an Asian FinTech focus. For over two 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.

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 Offer Supplement.

<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="5">Riva Khristine V. Maala</td><td rowspan="5">50</td><td>Corporate Secretary</td><td>08 February 2017 – Present</td><td rowspan="5">Filipino</td></tr>
<tr><td>Compliance Officer</td><td>1 March 2017 – Present</td></tr>
<tr><td>Assistant Corporate Secretary/Corporate Information Officer</td><td>21 May 2007 – 07 February 2017</td></tr>
<tr><td>Vice President/ Head, Legal Affairs</td><td>1 October 2012- Present</td></tr>
<tr><td>Vice President/ Investor Relations</td><td>1 October 2012 – 08 February 2017</td></tr>
<tr><td>Gabriel I. Paulino</td><td>65</td><td>Senior Vice President/Head, Technical Services</td><td>31 August 2011 – Present</td><td>Filipino</td></tr>
<tr><td>Christopher G. Narciso</td><td>53</td><td>Executive Vice President</td><td>09 May 2018 - Present</td><td>Filipino</td></tr>
<tr><td rowspan="3">Sheryll P. Verano</td><td rowspan="3">45</td><td>Senior Vice President/ Head, Strategic Funding and Investments and Investor Relations Officer</td><td>21 March 2018 - Present</td><td rowspan="3">Filipino</td></tr>
<tr><td>Vice President/Head, Strategic Funding and Investments and Investor Relations Officer</td><td>08 February 2017 – 21 March 2018</td></tr>
<tr><td>Vice President- Head, Strategic Funding and Investments</td><td>01 July 2016 – 08 February 2017</td></tr>
<tr><td>Oliver L. Chan</td><td>41</td><td>Senior Vice President/Head of Sales Operations</td><td>21 March 2018 - Present</td><td>Filipino</td></tr>
<tr><td>Leilani G. Kanapi</td><td>48</td><td>Vice President/Head of Procurement</td><td>21 March 2018 - Present</td><td>Filipino</td></tr>
</table>

Clarence P. Borromeo	51	Data Privacy Officer	09 May 2018 –- Present	Filipino
		Head of Information Technology	15 June 2009 – Present	
Ma. Angelina B. Magsanoc	52	Vice President – Head of Marketing	24 October 2018 – Present	Filipino
Edgar V. Sabidong	63	Chief Sustainability Officer	20 March 2019 – Present	Filipino
		Vice President—Technical Services	09 May 2018 – Present	
Marivic S. Victoria	50	Chief Finance Officer	01 October 2022 - Present	Filipino
		Deputy Chief Finance Officer	03 January 2022 – 30 September 2022	
Aristides Antonio C. Gonzales	45	Vice President - Head of Business and Project Development Department	23 February 2022 - Present	Filipino
Joseph R. Feliciano	52	Risk Management Officer	15 December 2021 - Present	Filipino
		Head of Internal Audit	17 August 2020 - Present	
Richard Naval	45	Vice President—Technical Services	01 October 2022 – Present	Filipino
Alex D. Miguel	58	Vice President—Technical Services	05 August 2022 - Present	Filipino

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 Bachelor of Laws 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 the Head of Legal Affairs and Investor Relations of ALCO on 01 October 2012, and likewise acted as its Assistant Corporate Secretary and Corporate Information Officer until 08 February 2017 when she was appointed as Corporate Secretary and General Counsel. In addition, she performs the responsibilities of ALCO's Compliance Officer since February 2017, having assisted its previous compliance officers on their tasks as such.

Gabriel I. Paulino, Filipino, is the Head of Technical Services. He has over 35 years of professional experience in architectural and project management practice. He was formerly the Assistant Vice President for Design and Planning at Rockwell Land Corporation and worked on Edades Towers, The

Grove, One Rockwell, Joya and the Powerplant Mall. Prior to Rockwell, he was a Senior Associate of Recio+Casas Architects. He was also involved in the Pacific Plaza Towers (Makati and Fort Bonifacio), Manansala at Rockwell, LKG Tower Ayala and Salcedo Park Towers Makati.

Ferdinand A. Constantino, Filipino, is the Chief Finance Officer. He is a Certified Public Accountant and a licensed Real Estate Broker. He obtained his degree in Accountancy from the Polytechnic University of the Philippines in 1982. His work experience includes being the Corporate Comptroller/Tax Manager of Century Canning Corporation (1995-2006), GM/Business Unit Head of CPGC Logistics Philippines, Inc. (2006-2013), and Finance Director of Century Pacific Food, Inc.

Christopher G. Narciso, Filipino, is the Executive Vice President who oversees the concerns of the departments on Business and Project Development, Customers Account Management, Technical Services, and Strategic Procurement. Prior to joining ALCO, 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, and 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 Masters 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 and Investments and is ALCO's Investor Relations Officer. She is a finance professional with more than 20 years-experience in financial advisory, debt and equity capital raising, debt restructuring and mergers and acquisitions. Prior to joining ALCO, 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 Operations. He is a licensed mechanical engineer who obtained his degree from the University of Santo Tomas. Prior to joining ALCO, he was the Property Manager of Ayala Property Management Corporation who handled the operations of the premiere retail and recreation centers of Ayala Land Inc., 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 General Manager of Emera Property Management, Inc., the property management arm of ALCO.

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 Masters degree in Business Administration from Pepperdine University, USA where she also had the opportunity to join the Student Exchange Program in Marseille, France.

Clarence P. Borromeo, Filipino, has been the Head of the Information Technology (IT) Department since 2009, and on 09 May 2018, he was appointed as ALCO's Data Privacy Officer concurrently. Before joining ALCO, he was the IT Head of the ICCP Group of Companies (Investment and Capital Corporation of the Philippines), and before that, the IT Head at RAMCAR Food Group (Kentucky Fried Chicken and Mr.

Donut). He started his career in Information Technology as IT Helpdesk Supervisor at Zuellig Interpharma Holdings. Mr. Borromeo finished college at the Ateneo de Manila University with a degree in AB Interdisciplinary Studies.

Ma. Angelina B. Magsanoc, Filipino, the Head of the Marketing Department, has more than 25 years experience working at various positions linked to financial and real estate industries. A greater part of her career in Standard Chartered Bank, Jardine Fleming Exchange Capital Securities, Belle Corporation, Highlands Prime, and Terra Nostra, was dedicated to marketing, business development and finance. Prior to joining ALCO, she held the position of Vice President for Business Development and Marketing of ACM Landholdings, Inc. Ms. Magsanoc took up A.B. Management Economics from the Ateneo de Manila University and earned masteral units from the Ateneo Graduate School of Business.

Edgar V. Sabidong, Filipino, a registered Civil Engineer from the Mapua Institute of Technology, with over 30 years of experience in construction, facilities and project management, 12 years of which were spent in the Caribbean and in the Middle East, is a Vice President of the Technical Services Department. He was Project Director of the biggest project in Trinidad and Tobago and while with Saudi Aramco, he handled various facilities like office building, hospital, laboratory and community housing renovation and upgrade works. Locally, he worked with D.M. Consunji, and in its joint venture with the British John Laing International, he worked on the five Rockwell west tower condominium buildings – Hidalgo, Rizal, Luna, and Amorsolo East and West. Engr Sabidong was elected as the Chairman of the Philippine Green Building Council from 2019 to 2020. As a member of the Board of Trustees, he also sits in the BERDE PR and Internal Policy Committees. Given its commitment to greening the industry, ALCO gave Engr. Sabidong the task to head and lead all project undertakings and sustainability efforts with his concurrent appointment as its Chief Sustainability Officer[21].

Marivic S. Victoria, Filipino, was appointed as Deputy Chief Finance Officer of ALCO on 15 December 2021. She is a seasoned executive with more than 25 years experience in Finance, Controllership, Audit and Taxation. She has industry knowledge in real estate, real estate financing, asset and portfolio management. Prior to joining ALCO, 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 Co. She is a Certified Public Accountant who obtained her Masters degree in Business Administration from the joint program of Ateneo de Manila University and Regis University. She also attended the Executive Development Program of the Wharton School.

In anticipation of the retirement of Mr. Ferdinand A. Constantino on 30 September 2022, the Board appointed Ms. Marivic S. Victoria as ALCO's Chief Finance Officer, after the Governance and Nomination Committee vetted her qualifications. Her appointment became effective on 01 October 2022.

Aristides Antonio C. Gonzales, Filipino, was appointed as Head of the Business and Project Development Department on 23 February 2022. He is a graduate of the De La Salle University with a Bachelor of Science degree in Civil Engineering, major in Structural Design, and he obtained his Masters in Business Administration from the Asian Institute of Management. He is a licensed Civil Engineer and a Real Estate Broker, with over 16 years of professional experience in the field of business and project development specific to the real estate industry. He spent the majority of his career in Alveo Land Corporation overseeing its expansion and development in key growth areas of the country such as Makati, Alabang, Nuvali, Cavite, Tagaytay and Cebu.

Jose R. Feliciano, Filipino, was appointed Internal Audit Head in 2020 and was thereafter promoted to Internal Audit and Risk Management Officer on 15 December 2021. He obtained from Far Eastern

[21] Engr. Sabidong was appointed by the Board as such on 20 March 2019.

University his Bachelor of Science degree in Commerce major in Accounting with honors (c*um laude*). He also earned several units of Masters 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 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 experience in controllership and finance as well.

Richard Naval, Filipino, was appointed Vice President of the Technical Services Group effective 01 October 2022. Mr. Naval is a graduate of Civil Engineering from the University of Santo Tomas and has some units on Masters in Construction Management from the Polytechnic University of the Philippines Open University. He has more than 20 years experience in construction and project management in a leadership capacity. He worked previously in Filinvest Land, HongKong Land, Geo Estate Development Corporation, Costa Del Hamilo, Robinsons Land Corporation and Federal Land.

Alex D. Miguel, Filipino, was appointed Vice President of the Technical Services Group effective 05 August 2022. Mr. Miguel 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 Incorporated, and most recently, Shang Properties, Inc.

CORPORATE GOVERNANCE

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 Board of Directors 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	Public disclosure of all financial information as

	approved by the Audit Committee	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 23 July 2014, on 31 May 2017, and most recently on 06 May 2020. 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 Offer Supplement, ALCO has substantially complied with the Manual.

While ALCO continually evaluates its corporate governance policy, there are no definite plans to change its corporate governance policy as of the date of this Offer Supplement.

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, Hans B. Sicat and Fernan Victor P. Lukban.

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, Nomination Committee, Stock Option and Compensation Committee and Audit 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. Gonzales as Chairman, Ricardo Gabriel T. Po as Vice Chairman, and Jaime Enrique Y. Gonzalez, 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. Gonzalez as Chairman and Ricardo Gabriel T. Po and Hans B. Sicat 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: Fernan Victor P. Lukban as Chairman, and Andres B. Sta. Maria and Hans B. Sicat as members.

Family Relationships

With the exception of the brothers Messrs. Ricardo Gabriel T. Po, Jr. and Christopher Paulus Nicolas T. Po, and the father and son, Messrs. Jaime C. Gonzalez and Jaime Enrique Y. Gonzalez, the above-mentioned incumbent directors and executive officers of the Company 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 Offer Supplement, 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

The above-named directors and corporate/executive officers of ALCO have not been involved during the past five (5) years up to the date of this Report in any bankruptcy proceeding or any proceeding involving a violation of securities or commodities laws or regulations, nor have they been convicted in a criminal proceeding. Neither has there been any order or judgment enjoining, barring, suspending or limiting their involvement in any type of business, securities, commodities or banking activities.

The above notwithstanding, a director and an officer of ALCO are currently parties to legal proceedings which neither involves ALCO directly nor their acts as such director and officer. There is no final resolution on these proceedings at this time and ALCO believes that their involvement in said proceedings is not material to an evaluation of the ability or integrity of such person to become a director or officer of ALCO.

1. In 2013, the Philippine Deposit Insurance Corporation had filed one and the same complaint against Mr. Jaime C. González, among other former officers of then Export and Industry Bank, 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 to the complaint 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.

   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 board at the time.

   On 12 November 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 ongoing.

   Insofar as the administrative case before the BSP, in a Resolution dated 13 June 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 07 February 2020, hence, Mr. González filed a Petition for Review before the Court of Appeals which is pending resolution to date.

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, Assistant Corporate Secretary of ALCO at the time, among other former officers of then 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 14 May 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. Presently, the case is with the Office of the General Counsel and Legal Services of the BSP and is pending resolution.

EXECUTIVE COMPENSATION

Compensation of Directors and Executive Officers

Section 10, Article III of ALCO's By-laws provides that the "Board of Directors 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."

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.

Each director is also paid a per diem of ₱2,500.00 for each committee meeting he attends, of which he is a member. These committees are the Executive Committee, the Audit Committee, the Stock Option and Compensation Committee, the Nomination Committee and the Risk Management Committee.

The current members of ALCO's various committees are:

Audit and Risk Committee	Fernan Victor P. Lukban, Chairman Hans B. Sicat Andres B. Sta. Maria

Stock Option and Compensation Committee	Jaime C. González, Chairman Ricardo Gabriel T. Po Hans B. Sicat
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 Board of Directors may authorize, shall determine the compensation of all the officers and employees of the Corporation. xxx"

The compensation of ALCO's directors for last year and for the period ending 30 June 2022 is as follows:

Name of Director	2021 (₱)	Jun 2022 (₱)
Ernest K. Cuyegkeng	1,097,500.00	500,000.00
Jaime C. González	112,500.00	57,500.00
Jaime Enrique Y. González	80,000.00	40,000.00
Fernan Victor P. Lukban	690,000.00	385,000.00
Cornelio S. Mapa, Jr.	70,000	52,500.00
Christopher Paulus Nicolas T. Po	110,000.00	52,500.00
Leonardo Arthur T. Po[22]	40,000.00	-
Ricardo Gabriel T. Po	100,000.00	45,000.00
Hans B. Sicat	615,000.00	390,000.00
Andres B. Sta. Maria	845,000.00	387,500.00
Total	3,760,000.00	1,910,000.00

The compensation of ALCO's officers and other employees for the last two years is as follows:

2020

[22] Resigned effective 31 May 2021.

	Salary[23]	Bonus	Others
Executives[24] includes Jaime C. Gonzalez, the Vice Chairman and President, and the four highest compensated officers: i. Leonardo Arthur T. Po, Executive Vice President and Treasurer ii. Christopher G. Narciso, Executive Vice President iii. Gabriel I. Paulino, Head, Technical Services, and iv. Sheryll P. Verano, Head, Strategic Funding and Investments.	**₱72.67M**	**₱2.76M**	**None**
Officers (As a group unnamed)[25]	**₱44.25M**	**₱4.13M**	**None**

2021

	Salary[26]	Bonus	Others
Executives[27] includes Jaime C. Gonzalez, the 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.	**₱77.45M**	**₱6.36M**	**None**
Officers (As a group unnamed)[28]	**₱50.11M**	**₱4.16M**	**None**

Estimated Compensation for 2022 (Collective)

	Salary[29]	Bonus	Others

23 Rounded-off.
24 Includes all employees with the rank of Vice President and higher.
25 Includes all employees with the rank of Manager up to Senior Assistant Vice President.
26 Rounded-off.
27 Includes all employees with the rank of Vice President and higher.
28 Includes all employees with the rank of Manager up to Senior Assistant Vice President.
29 Rounded-off.

Directors and Executives	₽99.15	None[30]	None
Officers (As a group unnamed)	₽58.69		

In ALCO's annual meeting held on 16 October 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. At present, this is equivalent to 531,809,519 shares. 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[31].

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.

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 14 December 2018, ALCO's Board of Directors approved granting options equivalent to not more than 90.0 million common shares to its qualified employees as above defined. 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.

30 Whether bonuses will be given in 2022 is uncertain at this time.
31 ALCO must have at least 50% equity holdings of said subsidiary or affiliate.

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 17 December 2018, or until 21 December 2018. Said price was at ₱0.85 per share.

On 25 March 2020, the price of the options granted as abovementioned was changed to ₱0.50 per share.

As of the date of this Report, none of the qualified employees exercised their respective rights.

The term of the 2009 ALCO Stock Option Plan expired in October 2019. The 2020 ALCO Stock Option Plan which has substantially the same terms as the 2009 plan was presented during the Annual Stockholders' Meeting on 26 June 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. SEC approval of the 2020 ALCO Stock Option is presently being secured.

The total number of stock options granted to ALCO's officers and other employees at the time is 57,200,000 and classified as follows:

	No. of Options Outstanding	Date Granted	Exercise/ Option Price	Expiration Date
Executives[32] includes Jaime C. Gonzalez, the Vice Chairman and President, and the four highest compensated officers at the time of the grant: i. Leonardo Arthur T. Po, Executive Vice President and Treasurer ii. Christopher G. Narciso, Executive Vice President iii. Gabriel I. Paulino, Head, Technical Services, and iv. Sheryll P. Verano, Head, Strategic Funding and Investments.	35,350,000	February 2019	₱0.50/share	February 2022
Officers (As a group unnamed)[33]	56,000,000			

The market price of the Company's common shares as of 17 October, 2022 is ₱[] per share.

[32] Includes all employees with the rank of Vice President and higher.

[33] Includes all employees with the rank of Manager up to Senior Assistant Vice President.

On 14 December 2018, the Board, in accordance with the 2009 Stock Option Plan, 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 17 December 2018 until 21 December 2018, or ₱0.85 per share ("Option Price").

On 25 March 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.[34] On 26 June 2020, the number of options granted and issued to qualified employees amounted to 55.4 million shares. The total fair value of stock options granted amounted to P=6.5 million. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula taking into the account the terms and conditions upon which the options were granted. The BSM Formula utilized inputs namely; market value of the share, time to maturity, dividend yield, and risk free rate.

Fair value of each option at grant date is P0.14. Assumptions used to determine the fair value of the stock options are as follow:

Weighted average share price	P0.65
Exercise price	P0.50
Expected volatility	2.40%
Dividend yield	1.32%
Risk-free interest rate	1.35%

As at 30 June 2022 and 31 December 2021, none of the qualified employees have exercised their options.

[34] 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 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 31 December 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 31% of ACPT's net leasable area. If Centrobless Corporation chooses to be repaid as described above, ALCO will have 20,976 sqm of net leasable space in ACPT which it will keep to generate recurring lease revenues.

On 24 October 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, 31% of ACPT's net leasable area and one hundred fifty (150) parking slots to fully settle the abovementioned loan. Under the Agreement, on 31 December 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. As of the date of filing of this Offer Supplement, the said Deed of Absolute Sale via Dacion en Pago has not yet been executed as the license to sell is yet to be issued by DHSUD.

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. Gonzalez), extended a non-interest-bearing loan amounting to ₱207 million, with a maturity date of 31 December 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 net saleable area 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 net saleable area of the 28th floor of ACPT and ten (10) parking slots to fully settle the said loan. Under the Agreement, on 31 December 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. As of the date of filing of this Offer Supplement, the said Deed of Absolute Sale via Dacion en Pago has not yet been executed.

Continuing Suretyship

Pursuant to the OLSA by and among SLDC, Arcosouth, and BPI executed on 22 August 2018, ALCO and BPI executed a Continuing Suretyship, dated 22 August 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.

Transactions between ALCO and its subsidiaries

A summary of related party transactions, between ALCO and its subsidiaries for the six months ended 30 June 2022 and the years ended 31 December 2021, 2020 and 2019 are summarized below:

SUBSIDIARY	As of 31 December (Audited)			As of 30 June (Unaudited)	
	2019	2020	2021	2Q 2021	2Q 2022
CAZNEAU	607,322,258	794,518,888	696,241,586	1,038,489,609	718,231,368
BHAVYA	665,020,644	807,128,877	806,190,873	841,685,803	285,000,000
BHAVANA	534,038,896	766,061,262	379,719,656	832,729,510	331,800,000
CLLC	495,000,000	684,314,667	2,236,666,882	686,801,327	3,336,724,836
ZLDC	389,473,444	396,773,854	421,933,303	398,281,903	432,138,188
KHI	125,000	294,447,741	295,455,798	294,852,265	296,260,701
UPHI	65,304,320	72,465,569	82,720,593	76,208,244	81,864,557
SLDC	487,500,000	93,134	3,515,568	2,707,395	3,865,991
EMERA	1,560,155	1,583,581	2,608,665	2,539,643	2,674,572
MPI		314	5,433,627	1,932,710	5,634,279
PLI	300,000	813,764	816,659	815,699	819,159
Total	3,245,644,717	3,818,201,651	3,815,016,033	4,177,044,108	5,495,013,651

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. The advances to MPI, UPHI, Cazneau, Emera and ZLDC are non-interest bearing, unsecured and settled in cash whenever possible. The advances to CLLC are interest-bearing and unsecured.

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 provided by Arch SPV to CLLC

In addition to the advances from the Company, CLLC obtained from Arch SPV 3.5% interest-bearing advances for its real estate projects with outstanding balance of ₱676.7 million, ₱676.7 million and ₱511.7 million and recognized interest expense of ₱11.7 million, ₱18.6 million and ₱19.6 million as at 30 June 2021, and 31 December 2020 and 2019, respectively. These advances are unguaranteed, unsecured, and payable in cash at gross amounts upon demand. In December 2021, the Company purchased 214,351 common and 118,982 preferred shares representing 40% of the ownership and voting rights of CLLC for ₱113.2 million from Arch SPV, resulting to 100% ownership of the Company in CLLC. The difference between the acquisition cost and book value amounting to ₱60.5 million was recorded as reduction to equity reserves. Also, Arch SPV assigned its shareholder advances and accrued interest receivables amounting to ₱764.1 million. The Company's outstanding payable arising from the purchase of common shares and preferred shares in CLLC amounted to ₱750.0 million and ₱762.3 million as at 30 June 2022 and 31 December 2021, respectively.

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 31 December 2021. The following discussion is lifted from the 2021 annual report (SEC Form 17-A) filed with the SEC and should be read in conjunction with the attached audited consolidated statements of financial position of ALCO as of 31 December 2021, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended 31 December 2021.

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 484,000 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 4.4x its portfolio in 2019 or an estimated compounded annual growth rate of 34%.Of the target 484,000 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. The launch of Makati CBD Residential Project 1 is expected to complete the GFA target over this high-growth period. 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.

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 484,000 sqm portfolio by 2024, ALCO expects approximately 47% (about 228,000 sqm) to be in the commercial segment and the balance 53% 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 52% of developed gross floor area by 2024 to be located outside Metro Manila through its Sevina Park and Lucima projects while maintaining 48% of its residential portfolio within BGC and the Makati CBD area through Arya Residences, Makati CBD Residential Project 1 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 10,685 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 30 June 2022 and fiscal years 2019, 2020, and 2021.

Key Performance Indicators	Six Months Ended 30 June 2022	FY December 2021	FY December 2020	FY December 2019
Current Ratio	1.95	1.81	2.24	1.94
Total Liabilities to Equity Ratio	1.81	2.14	1.98	1.61
Interest Bearing Debt to Equity Ratio	1.20	1.48	1.33	0.93
Interest Coverage Ratio	7.05	5.09	6.95	18.08
Return on Equity[35]	11%	10%	13%	20%
Acid test Ratio[36]	0.98	0.57	0.56	0.26
Net profit margin	72%	38%	35%	39%

All of the revenues and net income of ALCO for the years 2019, 2020, 2021, and the first 6 months of 2022 were contributed by the revenues and net income from (i) percentage of completion rate during the first half of 2022 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 have now been continuously recognized and (iii) revenue recognition from Lucima which started in May 2022.

[35] Calculated as Net Income over Average Equity (Excluding Series B and Series C Preferred Shares)

[36] Calculated as Quick Assets divided by Current Liabilities. Quick Assets are assets easily convertible to cash and only include cash and cash equivalents, financial assets at FVPL, and trade and other receivables.

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 are the Gross and Net Profit Margins, the former, in particular, 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.

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.

EXECUTIVE COMPENSATION

Please refer to page [196] of this Offer Supplement for a discussion on Executive Compensation.

RELATED PARTY TRANSACTIONS

Please refer to page [216] of this Offer Supplement for the further discussion on related party transactions.

Material Non-controlling Interests

The Company's non-controlling interests amounting to ₱1,895.1 million, ₱1,503.3 million and ₱1,224.5 million as at 30 June 2022, 31 December 2021 and 2020, respectively.

The non-controlling interest in CLLC is 40% as at 31 December 2020 and 2019. The net income of CLLC allocated to non-controlling interests amounting to ₽ 96.4 million for the period January 1 to December 27, 2021 and ₱228.4 million in 2020 ₱is calculated based on the profit-sharing agreement of 50:50. CLLC is 100% owned by the Parent Company as at 30 June 2022 and 31 December 2021.

The summarized financial information of CLLC, before intercompany eliminations, as at and for the full years ended 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Current assets	₱9,414,145,568	₱8,214,470,597
Noncurrent assets	10,886,344	10,873,955
Current liabilities	(8,921,122,416)	(5,602,523,973)
Noncurrent liabilities	(381,797,706)	(1,524,515,987)
Net assets	₱122,111,790	₱1,098,304,592

	31 December 2021	31 December 2020
Revenue	₱1,354,517,334	₱2,126,330,822
Expenses	(1,193,651,466)	(1,474,349,597)
Income before income tax	160,865,868	651,981,225
Other income - net	3,879,882	1,312,137
Benefit from (provision for) income tax	28,061,448	(196,454,802)
Net income	192,807,198	456,838,560
Other comprehensive income	-	-
Total comprehensive income	₱192,807,198	₱456,838,560

	31 December 2021	31 December 2020
Cash flows from (used in):		
Operating activities	(₱683,701,693)	(₱1,266,945,504)
Investing activities	200,928,281	(2,342,993)
Financing activities	597,328,522	1,456,788,782
Net increases in cash and cash equivalents	114,555,110	187,500,285
Cash and cash equivalents at beginning of period	246,426,119	58,925,834
Cash and cash equivalents at end of period	₱360,981,229	₱246,426,119

Non-controlling interests over SLDC is 41% as at 30 June 2022, 31 December 2021, and 2020.

The summarized financial information of SLDC, before intercompany eliminations, as at and for the six months ended 30 June 2022 and for the full years ended 31 December 2021 and 2020 are as follows:

	30 June2022	31 December2021	31 December 2020
Current assets	**₱5,725,401,320**	₱5,819,094,589	₱4,069,922,386
Noncurrent assets	**40,067,526**	33,078,020	31,730,462
Current liabilities	**(2,597,736,733)**	(2,609,864,079)	(1,732,357,568)
Noncurrent liabilities	**(684,755,630)**	(1,210,540,368)	(1,333,945,153)
Net assets	**₱2,482,976,483**	₱2,031,768,162	₱1,035,350,127

	30 June 2022	31 December 2021	31 December 2020
Revenue	**₱290,338,381**	₱975,128,529	₱713,085,853
Expenses	**(162,577,647)**	(584,200,793)	(371,034,794)
Income before income tax	**127,760,734**	390,927,736	342,051,059
Other income – net	**3,210,323**	3,052,303	4,265,753
Provision for income tax	**(32,790,989)**	(79,039,840)	(103,232,886)
Total comprehensive income	**₱98,180,068**	₱314,940,199	₱243,083,926

	30 June 2022	31 December 2021	31 December 2020
Cash flows from (used in):			
Operating activities	**(₱305,893,205)**	(₱523,559,502)	(₱645,449,472)
Investing activities	**71,226,803**	(148,403,306)	(61,053,563)
Financing activities	**104,208,445**	837,957,071	670,735,028
Net increase (decrease) in cash and cash equivalents	**(130,457,957)**	165,994,263	(35,768,007)
Cash and cash equivalents at beginning of period	**316,788,509**	150,794,246	186,562,253
Cash and cash equivalents at end of period	**₱186,330,552**	₱316,788,509	₱150,794,246

The Group has 40% non-controlling interests in KHI as at 30 June 2022 and 31 December 2021.

The summarized financial information of KHI, before intercompany eliminations, as at and for the six months ended 30 June 2022 and for the full year ended 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Current assets	**₱532,549,286**	₱522,815,206
Noncurrent assets	**50,479,153**	50,479,153
Current liabilities	**(571,275,901)**	(561,456,942)
Noncurrent liabilities	**-**	-
Net assets	**₱11,752,538**	₱11,837,417

	30 June 2022	31 December 2021
Revenue	**₱8,461,206**	₱17,062,893
Expenses	**(8,546,070)**	(17,219,678)
Loss before income tax	**(84,864)**	(156,785)
Provision for income tax	**(15)**	(79)
Total comprehensive loss	**(₱84,879)**	(₱156,864)

	30 June 2022	31 December 2021
Cash flows from (used in):		
Operating activities	**(₱551,888)**	(₱818,773)
Investing activities	**-**	(479,453)
Financing activities	**788,119**	1,008,057
Net increase (decrease) in cash	**236,231**	(290,169)
Cash at beginning of period	**401,265**	691,434
Cash at end of period	**₱637,496**	₱401,265

In December 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 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%. The Parent Company's receivable arising from the sale of interests in Bhavana and Bhavya amounted to ₱208.6 million as at 31 December 2021.

The summarized financial information of BHPI, before intercompany eliminations, as at and for the six months ended 30 June 2022 and for the full year ended 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Current assets	**₱1,871,551,218**	₱1,431,692,165
Noncurrent assets	**10,330,120**	39,427,759
Current liabilities	**(1,057,187,550)**	(865,244,926)
Noncurrent liabilities	**(744,258,546)**	(554,180,611)
Net assets	**₱80,435,242**	₱51,694,387

	30 June 2022	31 December 2021
Revenue	**₱296,425,620**	₱-
Expenses	**(258,529,264)**	(60,623,554)
Loss before income tax	**(84,864)**	(60,623,554)
Other income-net	**961,845**	100,635,017
Provision for income tax	**(10,117,346)**	(8,890,504)
Total comprehensive loss	**₱28,740,855**	₱31,120,959

	30 June 2022	31 December 2021
Cash flows from (used in):		
Operating activities	**(₱253,604,957)**	(₱221,899,223)
Investing activities	**134,932,973**	(136,183,209)
Financing activities	**146,355,618**	390,592,833
Net increase in cash and cash equivalents	**27,683,634**	32,510,401
Cash and cash equivalents at beginning of period	**37,004,244**	4,493,843
Cash and cash equivalents at end of period	**₱64,687,878**	₱37,004,244

The summarized financial information of BPI, before intercompany eliminations, as at and for the six months ended 30 June 2022 and for the full year ended 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Current assets	**₱1,154,645,689**	₱1,064,394,870
Noncurrent assets	**25,081,075**	18,869,894
Current liabilities	**(577,996,653)**	(1,095,257,094)
Noncurrent liabilities	**(636,321,147)**	(864,483)
Net assets	**(₱34,591,036)**	(₱12,856,813)

	30 June 2022	31 December 2021
Revenue	**₱-**	₱-
Expenses	**(21,831,427)**	(32,872,961)
Loss before income tax	**(21,831,427)**	(32,872,961)
Other income-net	**120,780**	6,693
Provision for income tax	**(23,574)**	(1,339)
Total comprehensive loss	**(₱21,734,221)**	(₱32,867,607)

	30 June 2022	31 December 2021
Cash flows from (used in):		
Operating activities	**(₱137,614,456)**	(₱136,908,214)
Investing activities	**13,359,807**	(18,084,821)
Financing activities	**115,130,273**	179,261,996
Net increase (decrease) in cash and cash equivalents	**(9,124,377)**	24,268,961
Cash and cash equivalents at beginning of period	**27,228,166**	2,959,205
Cash and cash equivalents at end of period	**₱18,103,789**	₱27,228,166

Interim Periods

FINANCIAL POSITION

June 2022 vs December 2021

	30 JUN, 2022	31 DEC, 2021	% Change
Cash and cash equivalents	**₱ 2,840,069,581**	₱ 1,949,257,156	46%
Financial assets at fair value through profit or loss (FVPL)	**2,059,285,836**	4,378,607,744	-53%
Receivables	**2,316,452,468**	1,563,406,726	48%
Contract assets	**3,930,668,359**	6,238,880,086	-37%
Real estate for sale	**8,952,436,741**	8,988,754,987	0%
Investment properties	**11,013,659,887**	9,026,428,319	22%
Property and equipment	**308,604,754**	273,213,366	13%
Other assets	**2,306,354,485**	2,252,738,463	2%
Total Assets	**33,727,532,111**	34,671,286,847	-3%
Loans payable	**11,389,225,805**	13,436,717,469	-15%
Bonds payable	**2,971,473,871**	2,966,594,179	0%
Accounts payable and other liabilities	**4,139,925,425**	4,218,822,302	-2%
Contract liabilities	**169,121,514**	62,154,096	172%
Advances from non-controlling interests	**1,102,119,597**	1,102,119,597	0%
Net retirement liability	**132,443,498**	118,443,498	12%
Net deferred tax liabilities	**1,810,177,271**	1,714,298,793	6%
Total Liabilities	**21,714,486,981**	23,619,149,934	-8%
Equity attributable to equity holders of the Parent Company			
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	**4,973,734,990**	4,404,555,747	13%
Other equity reserves	**177,630,403**	177,630,403	0%
Treasury shares	**(2,000,000,000)**	(2,000,000,000)	0%
Parent Company's preferred shares held by a subsidiary – at cost	**(12,500,000)**	(12,500,000)	0%
	10,117,983,042	9,548,803,799	6%
Non-controlling interests	**1,895,062,088**	1,503,333,114	26%
Total Equity	**12,013,045,130**	11,052,136,913	9%
Total Liabilities and Equity	**₱ 33,727,532,111**	₱ 34,671,286,847	-3%

The Group's total resources slightly decline by 3% from ₱34.7 billion to ₱33.7 billion as of 31 December 2021 and 30 June 2022, respectively, due to the following:

46% Increase in Cash and Cash Equivalents
The increase in cash is mainly due to proceeds from disposal of money market funds, collections of turnover balance from buyers of Cebu Exchange and proceeds from sale of interest in subsidiaries netof capital expenditures for the period.

53% Decrease in Financial assets at FVPL
The decline was due to partial termination of money market placements for loan repayments andproject development costs.

48% Increase in Receivables
The increase is mainly due to initial revenue recognition from Lucima project, as well as recognition of turnover balance from buyers of CebuExchange

37% Decrease in Contract Assets
The decline is primarily due to maturities of contract assets which were subsequently accounted foras billed receivables.

22% Increase in Investment Properties
The increase is mainly due to the decision made by management to keep 8,059 square meters of office units with 72 appurtenant parking slots, 2,628 square meters of retail units and an additional 36 non- appurtenant parking slots at Cebu Exchange. This resulted in the exclusion of the said units and parking slots from Cebu Exchange's sale inventory and inclusion to its investment properties forlease. The said properties were initially measured at cost and are subsequently remeasured at fair value as of reporting date.

13% Increase in Property and Equipment
The increase is largely attributable to cost of ongoing construction of projects' model units

Total liabilities decreased by 8% from ₱23.6 billion on 31 December 2021 to ₱21.7 billion as of 30 June 2022, due to the following:

15% Decrease in Loans Payable
The decline is primarily due to CLLC's loan repayments, particularly the term loan and CTS financing facility.

172% Increase in Contract Liabilities
The increase mainly pertains to collections received from unit buyers of Lucima from which the related revenue is not yet recognized as of the period.

12% Increase in Retirement Liability
The change represents provision of retirement expense for the period.

6% Increase in Net Deferred Tax Liabilities
The increase is largely due to the tax effect of gain on change in fair value of investment properties.

Total equity grew by 9% from ₱11.1 billion on 31 December 2021 to ₱12.0 billion as at 30 June 2022 due to the following:

13% Increase in Retained Earnings
The increase is due to net income for the period, net of dividends.

26% Increase in Non-Controlling Interests
The net increase is attributable to the recognition of NCI's share in the net income (loss) of KHI, Bhavana and Bhavya and additional deposit for future stock subscription from SLDC shareholder.

FINANCIAL RATIOS
June 2022 vs December 2021

RATIO	FORMULA	JUN 2022	DEC 2021	% Change
Current Ratio	Current Assets / Current Liabilities	**1.95:1**	1.81:1	8%
Acid Test Ratio	Quick Assets / Current Liabilities	**0.98:1**	0.57:1	72%
Solvency Ratios	Net Income before depreciation / Total liabilities	**0.04:1**	0.05:1	-20%
Debt-to-Equity Ratio	Total Liabilities / Total Equity	**1.81:1**	2.14:1	-15%
Interest-Bearing Debt-to-Equity Ratio	Total Interest-Bearing Liabilities / Total Equity	**1.20:1**	1.48:1	-19%
Asset-to-Equity Ratio	Total Assets / Total Equity	**2.81:1**	3.14:1	-11%
Interest Rate Coverage Ratio	Pretax Income before Interest / Interest expense	**7.05:1**	5.09:1	39%
Return on Equity	Net Income / Average Equity excluding Preferred Shares	**11%**	10%	10%
Return on Assets	Net Income / Average Total assets	**3%**	3%	-0%
Net Profit Margin	Net Income / Revenue	**72%**	38%	88%
Basic Earnings per Share	Net income less dividends declared / Outstanding common shares	**0.1190**	0.1296	-8%

Price to Earnings Ratio	Market Price per share / Earnings per share	**4.79:1**	4.94:1	-3%
Dividend Yield	Dividends per share / Market price per share	**2.11%**	1.88%	12%

FINANCIAL RATIOS

June 2022 vs June 2021

Ratio	Formula	JUN 2022	JUN 2021	% Change
Current Ratio	Current Assets / Current Liabilities	**1.95:1**	1.99:1	-2%
Acid Test Ratio	Quick Assets / Current Liabilities	**0.98:1**	1.03:1	-5%
Solvency Ratios	Net Income before depreciatior / Total liabilities	**0.04:1**	0.04:1	0%
Debt-to-Equity Ratio	Total Liabilities / Total Equity	**1.81:1**	2.01:1	-10%
Interest-Bearing Debt-to-Equity Ratio	Total Interest-Bearing Liabilities / Total Equity	**1.20:1**	1.35:1	-11%
Asset-to-Equity Ratio	Total Assets / Total Equity	**2.81:1**	3.01:1	-7%
Interest Rate Coverage Ratio	Pretax Income before Interest / Interest expense	**7.05:1**	5.22:1	35%
Return on Equity	Net Income / Average Equity excluding Preferred Shares	**11%**	12%	-8%
Return on Assets	Net Income / Average Total assets	**3%**	3%	0%
Net Profit Margin	Net Income / Revenue	**72%**	58%	24%

Ratio	Formula	JUN 2022	JUN 2021	% Change
Basic Earnings per Share	Net income less dividends declared / Outstanding common shares	**0.1190**	0.0925	29%
Price to Earnings Ratio	Market Price per share / Earnings per share	**4.79:1**	5.73	-16%
Dividend Yield	Dividends per share / Market price per share	**2.11%**	1.76%	19%

RESULTS OF OPERATIONS
June 2022 vs June 2021

	30 JUN, 2022	30 JUN, 2021	% Change
Revenues	**₱ 1,112,281,133**	₱ 1,244,978,829	-11%
Cost and Expenses	**653,358,517**	705,214,125	-7%
GROSS INCOME	**458,922,616**	539,764,704	-15%
Administrative expenses	**271,222,369**	218,789,249	24%
Selling & marketing expenses	**110,955,051**	127,782,505	-13%
OPERATING EXPENSES	**382,177,420**	346,571,755	10%
INCOME FROM OPERATIONS	**76,745,196**	193,192,949	-60%
OTHER OPERATING INCOME (EXPENSES)			
Finance costs	**(177,886,274)**	(139,676,593)	27%
Net gain on change in fair value of investment Properties	**1,144,992,711**	507,318,725	126%
Other income – net	**23,722,415**	22,520,328	5%
INCOME BEFORE INCOME TAX	**1,067,574,048**	583,355,409	83%
Provision for (benefit from) income tax	**271,238,942**	(138,104,084)	296%
NET INCOME	**₱ 796,335,106**	₱ 721,459,493	10%
NET INCOME ATTRIBUTABLE TO:			
Equity holders of Parent Company	**757,634,386**	596,847,479	27%
Non-controlling interests	**38,700,720**	124,612,014	-69%
	₱ 796,335,106	₱ 721,459,493	10%

The Group posted a consolidated net income after tax at ₱796.3 million for the first half of 2022, higher by 10% from last year's ₱721.5 million. NIAT to Parent is at ₱757.6 million, 27% higher from same period last year of 596.8 million.

11% Decrease in Revenues
Revenues' decline is mainly attributed to lower incremental change in POC of Cebu Exchange due to its substantial completion for the first half of 2022 as compared to same period last year, offset by first time revenue recognition of Lucima bookings in Q2 2022.

7% Decrease in Cost of Sales and Service
The decrease in cost of sales is mainly due to the decrease in revenues of CLLC as per above.

24% Increase in Administrative Expenses
Administrative expenses increased by 24% due to the increase in parent company's personnel cost and CLLC's real property taxes.

13% Decrease in Selling & Marketing Expenses
The decline is mainly due to lower commission for Cebu Exchange as the projects nearing completion as compared to the same period last year.

27% Increase in Finance Costs
The increase is mainly attributed to the cessation of capitalized borrowing cost starting Q2 2022 forCebu Exchange, owing to its substantial completion.

126% Increase in Net Gain on Change in Fair Value of Investment Properties
The increase is largely due to gain recognized resulting from the retention of identified office, retailand parking slots of Cebu Exchange which was originally classified as real estate inventory. This was reclassified to Investment properties, initially recognized at cost and remeasured under fair value asat reporting date.

5% Increase in Other Income - net
The increase is mainly attributable to holding gains and interest income.

296% Increase in Provision for (benefit from) income tax
The increase was due to income tax related to gain on change in fair value of investment properties recognized for the six-month period of 2022 as compared to benefit from income tax for the same period in 2021 as a result of the CREATE law.

RESULTS OF OPERATIONS
April - June 2022 vs April – June 2021

	APR 1 - JUN 30,2022	APRIL 1 - JUN 30, 2021	% Change
Revenues	**₱ 622,585,164**	₱ 796,077,430	-22%
Cost of sales and services	**421,766,521**	470,757,739	-10%
GROSS INCOME	**200,818,643**	325,319,691	-38%
Administrative expenses	**144,854,969**	120,727,805	20%
Selling and marketing expenses	**58,850,365**	73,228,172	-20%
OPERATING EXPENSES	**203,705,334**	193,955,977	5%
OPERATING INCOME (LOSS)	**(2,886,691)**	131,363,714	-102%
OTHER OPERATING INCOME (EXPENSES)			
Finance costs	**(90,951,648)**	(56,434,411)	61%
Gain on change in FV of investment properties	**954,184,956**	411,878,725	132%
Other income – net	**10,868,034**	13,627,981	-20%
	874,101,342	369,072,295	137%

INCOME BEFORE INCOME TAX	**871,214,651**	500,436,009	74%
	APR 1 - JUN 30, 2022	APRIL 1 - JUN 30, 2021	% Change
Provision for income tax	**219,704,481**	133,434,706	65%
NET INCOME	**₱ 651,510,170**	₱ 367,001,303	78%

Net income for Q2 2022 went up by 78% to ₱₱651.5 million ₱₱367.0 million in the same three-month period in 2021 due to the following:

22% Decrease in Revenues
Revenues' decline is mainly attributed to lower incremental change in POC of Cebu Exchange due to its substantial completion in Q2 of 2022 as compared to same quarter last year, offset by first time revenue recognition of Lucima bookings also in Q2 2022.

10% Decrease in Cost of Sales and Services
The decrease in cost of sales is mainly due to the decrease in CLLC sales as per above.

20% Increase in Administrative Expenses
Increase in administrative expense is largely due to parent company's personnel cost and CLLC's real property taxes, following its turnover phase starting 2022.

20% Decrease in Selling and Marketing Expenses
The decline is mainly due to lower commission for Cebu Exchange following the projects' near completion as compared to same quarter last year.

61% Increase in Finance Costs
The increase is mainly attributed to the cessation of capitalized borrowing cost starting Q2 2022 for Cebu Exchange due to its substantial completion.

132% Increase in Gain on change in FV of Investment Properties
The increase is largely due to gain recognized resulting from the retention of identified office, retail and parking slots of Cebu Exchange which was originally classified as real estate inventory. This was reclassified to Investment properties in Q2 2022, initially recognized at cost and subsequently remeasured under fair value as at reporting date.

20% Decrease in Other Income – Net
The decline is due to lower holding gains and interest income in Q2 2022 as compared to Q2 2021.

65% Increase in Provision for income tax
The increase was due to tax related to the higher gain on change in fair value of investment properties recognized for Q2 2022 as compared to 2021.

RESULTS OF OPERATIONS
Jun 2022 vs December 2021

	30 JUN, 2022	31 DEC, 2021	% Change

Revenues	**₱ 1,112,281,133**	₱ 2,972,199,256	-63%
Cost and Expenses	**653,358,517**	1,728,843,604	-62%
GROSS INCOME	**458,922,616**	1,243,355,652	-63%

	30 JUN, 2022	31 DEC, 2021	% Change
Administrative expenses	**271,222,369**	438,756,665	-38%
Selling & marketing expenses	**110,955,051**	299,702,134	-63%
OPERATING EXPENSES	**382,177,420**	738,458,799	-48%
INCOME FROM OPERATIONS	**76,745,196**	504,896,853	-85%
OTHER OPERATING INCOME (EXPENSES)			
Finance costs	**(177,886,274)**	(277,828,945)	-36%
Net gain on change in fair value of investment Properties	**1,144,992,711**	872,263,700	31%
Other income – net	**23,722,415**	27,647,106	-14%
INCOME BEFORE INCOME TAX	**1,067,574,048**	1,126,978,714	-5%
Provision for income tax	**271,238,942**	11,895,600	2180%
NET INCOME	**₱ 796,335,106**	₱ 1,115,083,114	-29%
NET INCOME ATTRIBUTABLE TO:			
Equity holders of Parent Company	**₱ 757,634,386**	₱ 899,510,260	-16%
Non-controlling interests	**38,700,720**	215,572,854	-82%
	₱ 796,335,106	₱ 1,115,083,114	-29%

The Group registered a consolidated net income after tax of ₱796.3 million in the first half of 2022 as compared with the 2021 full year net income of ₱ 1,115.1 million.

Full Year Periods

FINANCIAL POSITION

31 December 2021 vs. 31 December 2020

	31-Dec-21	31-Dec-20	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%
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	**(12,500,000)**	(12,500,000)	0%
Treasury shares – preferred shares series B	**(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 31 December 2021 amounting to ₱34.67 billion is 26% higher than the 31 December 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 - Preferred Shares Series B
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.

FINANCIAL POSITION
31 December 2020 vs. 31 December 2019

	31 Dec 2020	31 Dec 2019	Change
Cash and cash equivalents	**₱ 941,079,474**	₱ 407,214,384	131%
Financial assets at fair value through profit or loss (FVPL)	**3,257,288,870**	772,186,717	322%
Receivables	**539,079,767**	389,687,736	38%
Contract Assets	**5,341,881,039**	3,250,482,689	64%
Real estate for sale	**6,894,906,539**	5,410,062,969	27%
Investment properties	**8,315,168,841**	7,280,000,267	14%

Property and equipment	**280,192,479**	282,549,715	-1%
Other Assets	**1,977,606,060**	1,683,647,515	17%
Total Assets	**27,547,203,069**	19,475,831,992	41%
Loans payable	**9,305,693,323**	6,925,381,746	34%
Bonds payable	**2,958,526,698**	-	100%
Accounts payable and other liabilities	**2,792,943,961**	2,488,916,877	12%
Contract liabilities	**27,423,392**	32,179,674	-15%
Advances from non-controlling interests	**1,367,586,297**	1,144,586,297	19%
Net retirement liability	**101,496,418**	99,880,460	2%
Net deferred tax liabilities	**1,763,428,524**	1,309,495,052	35%
Total Liabilities	**18,317,098,613**	12,000,440,106	53%
Capital stock	**999,757,136**	999,757,136	0%
Additional paid-in capital	**3,008,959,878**	3,008,959,878	0%
Retained earnings	**3,779,054,629**	3,161,789,766	20%
Other equity reserves	**230,363,146**	(207,724)	110999%
Parent Company's preferred shares held by a subsidiary at cost	**(12,500,000)**	(12,500,000)	0%
Total equity attributable to the Parent Company	**8,005,634,789**	7,157,799,056	12%
Non-controlling interests	**1,224,469,667**	317,592,830	286%
Total Equity	**9,230,104,456**	7,475,391,886	23%
Total Liabilities and Equity	**₱27,547,203,069**	₱19,475,831,992	41%

ALCO's total resources as of 31 December 2020 amounting to ₱27.55 billion is 41% higher than the 31 December 2019 level of ₱19.48 billion due to the following:

131% Increase in Cash and Cash Equivalents
The increase is accounted for by inflows from the issuance of the ASEAN Green Bonds, loan proceeds and sales collections, net of outflows attributed to money market placements, repayments of loans and operational and construction related disbursements.

322% Increase in Financial Assets at Fair Value through Profit or Loss (FVPL)
The increase is accounted for by portions of the ASEAN Green Bonds as well as loan proceeds that were invested in money market placements.

38% Increase in Receivables
The increase is largely due to the revenues recognized from the sale of office units in Cebu Exchange and Savya Financial Center that are already billed to buyers, and receivables from ACPT tenants.

64% Increase in Contract Assets
The increase pertains to the above revenue recognition from the office units in Cebu Exchange and Savya Financial Center where there was an excess of total revenues from real estate sales over the amounts already due and payable by the buyers.

27% Increase in Real Estate for Sale

The increase is mainly due to the additional construction costs incurred for ongoing projects net of amounts charged to Cost of Sales, and acquisition of properties in Makati and Cebu for development, net of cost of real estate sold recognized.

14% Increase in Investment Properties
The increase is mainly attributable to the appraisal gain from ACPT and other investment properties.

17% Increase in Other Assets
The increase is largely attributable to VAT Input payments and advances for purchase of a property.

34% Increase in Loans Payable
The increase is largely attributed to drawdowns from various loan facilities to fund project-related disbursements and some working capital requirements.

100% Increase in Bonds Payable
This pertains to the issuance of the ASEAN Green Bonds, net of debt issuance costs, to be used in the acquisition and development of eligible green projects.

12% Increase in Accounts Payable and Other Liabilities
The increase is mainly attributable to payables to contractors for ongoing projects.

15% Decrease in Contract Liabilities
The decrease pertains to down payment received which were subsequently recognized as revenues from real estate sales of office units in Savya Financial Center.

19% Increase in Advances from Non-controlling Interests
The increase pertains to advances made by shareholders of CLLC and KHI.

35% Increase in Net Deferred Tax Liabilities
The increase is mainly due to the deferred tax on the gain on change in fair value of investment properties and excess of financial gross profit over taxable gross profit.

20% Increase in Retained Earnings
The increase is due to the net income for the year, net of dividends declared.

110999% Increase in Other Equity Reserves
The increase is mainly attributable to the excess over cost of proceeds that was received by ALCO for the sale of 40% of its shares in KHI in favor of MEC.

286% Increase in Non-Controlling Interests
The increase was due to the recognition of NCI's share in the net income of CLLC and SLDC.

FINANCIAL POSITION
31 December 2019 vs. 31 December 2018

	31 Dec 2019	31 Dec 2018	Change
Cash and cash equivalents	**₱407,214,384**	₱285,413,332	43%
Financial assets at fair value through profit or loss (FVPL)	**772,186,717**	196,094,319	294%
Receivables	**389,687,736**	236,463,779	65%
Contract Assets	**3,250,482,689**	785,197,944	314%

Real estate for sale	**5,410,062,969**	3,412,713,425	59%
Creditable withholding tax	**338,105,363**	259,819,891	30%
Investment properties	**7,280,000,267**	5,901,514,575	23%
Property and equipment	**282,549,715**	237,452,955	19%
Deferred tax assets - net	**-**	16,197,731	-100%
Other Assets	**1,345,542,152**	1,005,597,812	34%
Total Assets	**₱19,475,831,992**	₱12,336,465,763	58%
Loans payable	**6,925,381,746**	4,169,976,102	66%
Accounts payable and other liabilities	**2,488,916,877**	1,655,848,013	50%
Contract liabilities	**32,179,674**	20,385,280	58%
Advances from non-controlling interests	**1,144,586,297**	386,666,691	196%
Net retirement liability	**99,880,460**	66,088,998	51%
Net deferred tax liabilities	**1,309,495,052**	779,222,593	68%
Total Liabilities	**₱12,000,440,106**	7,078,187,677	70%
Capital stock	**999,757,136**	989,757,136	1%
Additional paid-in capital	**3,008,959,878**	2,031,441,541	48%
Retained earnings	**3,161,789,766**	2,214,144,875	43%
Cumulative re-measurement gains on retirement liability – net of tax	**(207,724)**	18,169,495	-101%
Parent Company's preferred shares held by a subsidiary at cost	**(12,500,000)**	(12,500,000)	0%
Total equity attributable to the Parent Company	**7,157,799,056**	5,241,013,047	37%
Non-controlling interest	**317,592,830**	17,265,039	1740%
Total Equity	**7,475,391,886**	5,258,278,086	42%
Total Liabilities and Equity	**₱19,475,831,992**	₱ ₱12,336,465,763	58%

ALCO's total resources as of 31 December 2019 amounting to ₱₱19.48 billion is 58% higher than the 31 December 2018 level of ₱₱12.34 billion due to the following:

43% Increase in Cash and Cash Equivalents
The increase is accounted for by the proceeds from various loans, advances from shareholders, and sales collections.

294% Increase in Financial Assets at Fair Value through Profit or Loss (FVPL)
The increase was due to investments in money market placements of the additional cash from loan proceeds and sales collections.

65% Increase in Receivables
The increase was largely due to the sale of office units in Cebu Exchange, first-time revenue recognition from the sale of office units in Savya Financial Center, and receivables from ACPT tenants.

314% Increase in Contract Assets
This pertains to the increase in receivables from the additional sale of office units in Cebu Exchange and Savya Financial Center representing the excess of cumulative revenues from real estate sales over the amounts already due and payable by the buyers.

59% Increase in Real Estate for Sale

The increase is mainly due to the acquisition of various properties for development and the additional construction costs incurred during the year for ongoing projects.

30% Increase in Creditable Withholding Tax
This represents the increase in taxes withheld on the additional collections from buyers of office units in Cebu Exchange and Savya Financial Center.

23% Increase in Investment Properties
The increase is mainly attributable to the appraisal gain of ACPT and other investment properties.

19% Increase in Property and Equipment
The increase is due to the completion of fit-out costs of ALCO's new corporate office in ACPT and to additional transportation and office equipment.

100% Decrease in Deferred Tax Assets - Net
The decrease is due to the realization of net income in CLLC, resulting to the full utilization of its NOLCO.

34% Increase in Other Assets
The increase is largely attributable to the down payment made to contractors of ongoing projects as well as to VAT Input payments.

66% Increase in Loans Payable
The increase is largely due to additional drawdowns from bank loan facilities availed of in order to partly fund ALCO's working capital and project financing requirements.

50% Increase in Accounts Payable and Other Liabilities
The increase is mainly attributable to payables to contractors/suppliers for ongoing projects.

58% Increase in Contract Liabilities
The increase pertains to collections received from buyers of office units in Cebu Exchange and Savya Financial Center the related revenue of which is not yet recognized.

196% Increase in Advances from non-controlling interests
This pertains to advances made by shareholders of CLLC and SLDC.

51% Increase in Net retirement Liability
The increase is due to the additional retirement expense recognized for the year and remeasurement loss from the change in financial assumptions used in the valuation of retirement plan.

68% Increase in Net Deferred Tax Liabilities
The increase is due mainly to the gain resulting from the change in fair value of investment properties.

48% Increase in Additional Paid-in Capital
This is due to the excess of the proceeds over par value of the Preferred Shares Series C that was issued during the year, net of stock issuance costs.

43% Increase in Retained Earnings
The increase is due to the net income for the year, net of dividends declared.

101% Decrease in Cumulative re-measurement gains on retirement liability – net of tax
The decrease is due to the current year's cumulative remeasurement losses as against last year's gains in valuation of ALCO's retirement liability.

1740% Increase in Non-Controlling Interests
The increase is mainly due to the higher net income of CLLC for the current year as compared to the prior year.

RESULTS OF OPERATIONS
31 December 2021 vs. 31 December 2020

	31-Dec-21	31-Dec-20	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 31 December 2021 compared to the year ended 31 December 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 sales as 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.

RESULTS OF OPERATIONS
31 December 2020 vs. 31 December 2019

	31 Dec 2020	31 Dec 2019	Change
Revenues	**₱ 3,301,553,056**	₱ 3,847,857,424	-14%
Cost and Expenses	**(1,682,981,281)**	(2,145,739,457)	-22%
Gross income	**1,618,571,775**	1,702,117,967	-5%
Administrative expenses	**417,716,339**	409,806,713	2%
Selling and marketing expenses	**262,506,092**	256,010,229	3%
Operating expenses	**680,222,431**	665,816,942	2%
Income from operations	**938,349,344**	1,036,301,025	-9%
Finance costs	**(281,183,960)**	(124,839,604)	125%
Net gain on change in fair value of investment properties	**959,989,140**	1,180,724,811	-19%
Other income – Net	**42,240,203**	31,106,679	36%
Income before income tax	**1,659,394,727**	2,123,292,911	-22%
Provision for income tax	**490,270,422**	636,145,034	-23%
Net income	**1,169,124,305**	1,487,147,877	-21%
Other comprehensive income (loss)			
Remeasurement losses on net retirement liability	**(7,735,261)**	(26,253,170)	-71%
Income tax benefit on remeasurement gains or losses	**2,320,578**	7,875,951	-71%
Total comprehensive income	**₱ 1,163,709,622**	₱ 1,468,770,658	-21%

Results of Operations for the year ended 31 December 2020 compared to the year ended 31 December 2019.

14% Decrease in Revenues
The decrease in revenue is attributed to a decline in revenues from Real Estate Sales which was largely brought about by changes in market conditions and restrictions on construction activities following the Community Quarantine implemented in NCR and Cebu starting March 2020. While other companies implemented selling strategies involving sizeable discounts and ultra-stretched payment terms, ALCO substantially retained its selling prices across its projects given the strength of its sales pipeline and robust cash flows. ALCO fully expected that during the pandemic, there is a longer period to close sales transactions given that buyers take more time to conclude their decisions and given the limited access of buyers to ALCO's sales galleries for its projects.

On the other hand, revenues from other segments, particularly leasing and other operations, grew by 15% to ₱382.4 million in 2020 compared to ₱332.1 million in 2019.

22% Decrease in Cost and Expenses
The decrease in cost of sales is directly related to the decrease in revenues.

125% Increase in Finance Costs
The increase is accounted for by the non-capitalizable interests from the ASEAN Green Bonds and other working capital loans and interest from the loan obtained for the construction of ACPT, which was no longer capitalized upon the completion of building in 2019.

19% Decrease in Net Gain on Change in Fair Value of Investment Properties
The decrease is due to less appraisal gain recognized for investment properties.

36% Increase in Other Income – Net
The increase is attributable to earnings on the additional placements made from the proceeds of the ASEAN Green Bonds and various loans.

23% Decrease in Provision for Income Tax
The decrease is due to lower net income recognized for the year.

71% Decrease in Remeasurement Losses on Net Retirement Liability
The decrease is due to the change in financial assumptions and experience adjustments used in the valuation of the retirement plan.

RESULTS OF OPERATIONS
31 December 2019 vs. 31 December 2018

	31 Dec 2019	31 Dec 2018	Change
Revenues	**₱ 3,847,857,424**	₱ 1,132,470,086	240%
Cost and Expenses	**(2,145,739,457)**	(618,799,239)	247%
Gross income	**₱1,702,117,967**	₱513,670,847	231%
Administrative expenses	**409,806,713**	325,187,083	26%
Selling and marketing expenses	**256,010,229**	72,423,411	253%
Operating expenses	**665,816,942**	397,610,494	67%
Income from operations	**₱1,036,301,025**	₱116,060,353	793%
Finance costs	**(124,839,604)**	(73,647,288)	70%
Net Gain on change in fair value of investment properties	**1,180,724,811**	172,819,094	583%
Other income – Net	**31,106,679**	339,120,693	-91%
Income before income tax	**₱2,123,292,911**	₱554,352,852	283%
Provision for Income Tax	**636,145,034**	165,735,606	284%
Net income	**₱1,487,147,877**	₱388,617,246	283%
Other comprehensive income (loss)			
Change in actuarial gain (loss)	**(26,253,170)**	15,315,863	-271%

Income tax benefit (expense) on remeasurement gains or losses	**7,875,951**	(4,594,759)	-271%
Total comprehensive income	**₱ 1,468,770,658**	₱ 399,338,350	268%

Results of Operations for the year ended 31 December 2019 compared to the year ended 31 December 2018.

240% Increase in Revenues
The increase is mainly attributable to revenue recognized from the sale of office units in Cebu Exchange and the first-time revenue recognition for sale of office units in Savya Financial Center.

247% Increase in Cost and Expenses
The increase in cost of sales is directly related to the increase in revenues.

26% Increase in Administrative Expenses
The increase is due to professional fees, personnel related expenses, and taxes.

253% Increase in Selling and Marketing Expenses
The increase is mainly due to amortized commissions from the sale of office units in Cebu Exchange and Savya Financial Center, as well as the increased marketing activities for ongoing and new projects.

70% Increase in Finance Costs
The increase is mainly due to non-capitalization of interest expense from loans due to the completion of ACPT in 2019, and interests from additional working capital loans.

583% Increase in Net Gain on Change in Fair Value of Investment Properties
The increase is attributable to the appraisal gain of ACPT and other investment properties.

91% Decrease in Other Income – Net
The decrease is largely due to realized gain on the settlement of loans through *dacion en pago* realized in 2018.

284% Increase in Provision for Income Tax
The increase is due to higher net income recognized for the year.

271% Decrease in Change in Actuarial Gain (Loss)
The decrease is due to the remeasurement loss from change in financial assumptions used in the valuation of retirement plan as mentioned under Retirement Liability.

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

RT&Co rendered services to ALCO's subsidiaries with the exception of CLLC[37], and its audit fees are as follows:

	2021	2020	2019
Bhavana Properties, Inc.	₱100,000.00	₱100,000.00	₱100,000.00
Bhavya Properties, Inc.	₱100,000.00	₱100,000.00	₱100,000.00
Cazneau Inc.	₱300,000.00	₱300,000.00	₱300,000.00
Emera Property Management, Inc.	₱160,000.00	₱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	₱250,000.00	₱250,000.00	₱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 charge ALCO for non-audit work for the years 2013, 2014, 2015, 2017 and 2018. RT&Co charged ALCO for non-audit work for the 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 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 06 February 2020. RT&Co charged ALCO for non-audit work on these bonds in the amount of ₱0.60MM.

The foregoing fees are all exclusive of VAT.

[37] The external auditor of CLLC 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.

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 31 December 2021, 2020, 2019, 2018, and 2017 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 Offer Supplement.

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 opinions/matters in connection with the issuance of the ASEAN Green Bonds will be passed upon by SyCip Salazar Hernandez & Gatmaitan ("**SyCipLaw**") for the Company and Romulo Mabanta Buenaventura Sayoc & de los Angeles ("**Romulo**") for the Joint Lead Underwriters and Joint Bookrunners. 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 statements herein regarding taxation are based on the laws in force as of the date of this Offer Supplement 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 tax considerations that may be relevant to a decision to purchase, own or dispose of the ASEAN Green Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the ASEAN Green Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the ASEAN Green Bonds.

As used in this section, 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 is actually within 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"; however, a non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year may be considered a "non-resident alien not engaged in trade or business within the Philippines". A "non-resident foreign corporation" is a foreign corporation not engaged in trade or business within the Philippines.

TAXATION ON INTEREST

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income derived by Philippine citizens and alien resident individuals from the ASEAN Green Bonds is thus subject to income tax, which is withheld at source, at the rate of 20% based on the gross amount of interest. Generally, interest on the ASEAN Green Bonds received by non-resident aliens engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident aliens not engaged in trade or business is subject to a final withholding tax rate of 25%. Interest income received by domestic corporations and resident foreign corporations from the ASEAN Green Bonds is subject to a final withholding tax rate of 20%. Interest income received by non-resident foreign corporations from the ASEAN Green Bonds is subject to a 25% final withholding tax.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 10% in cases where the interest which arises in the Philippines in respect of a public issue of bonded indebtedness and is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest 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 interest-bearing instrument is effectively connected with such permanent establishment.

Tax-Exempt Status or Entitlement to Preferential Tax Rate

An investor who is exempt from or is not subject to withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Joint Lead Underwriters or selling agents (if any) or to the Registrar, as applicable, subject to acceptance by the Issuer as being sufficient in form and substance:

(i) a BIR-certified true copy of the (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) current and valid tax exemption certificate, ruling or opinion issued by the BIR confirming the exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto;

(ii) with respect to tax treaty relief,

(a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, as required under Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief;

(b) prior to the payment of subsequent interests due, (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than the 1st day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;

(c) the Issuer, the Registrar and the Paying Agent shall have the exclusive discretion in determining whether the non-resident Bondholder is entitled to the preferential tax treaty rate based on the documents submitted by the non-resident Bondholder. In the event that the Issuer, the Registrar and the Paying Agent determine that the non-resident Bondholder is not entitled to the preferential tax treaty rate based on the documents submitted and the Issuer applies the regular tax rates, the non-resident Bondholder may apply for preferential tax treaty rate with the BIR in accordance with BIR Revenue Memorandum Order No. 14-2021. If the BIR grants the application for tax treaty relief, the BIR will issue a certificate confirming the non-resident Bondholder's entitlement to treaty benefits and the non-resident Bondholder shall have the obligation to apply for refund with the BIR. The non-resident Bondholder must update its BIR certificate annually in accordance with BIR Revenue Memorandum Order No. 14-2021;

(iii) a duly notarized undertaking executed by (i) the corporate secretary or any authorized representative of such applicant or Bondholder, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases, or the Bondholder holds, the ASEAN Green Bonds for its account, or (ii) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the ASEAN Green Bonds 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 the Issuer, the Registrar and the Paying Agent (1) of any suspension, revocation, amendment or invalidation (in whole or in part) of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form under the Registry and Paying Agency Agreement; (2) if there are any material changes in the factual circumstances of the Bondholder including but not limited to its character, nature and method of operation, which are inconsistent with the basis for its income tax exemption; or (3) if there are any change of circumstance, relevant treaty, law or regulation or any supervening event that may or would result in the interest income of the ASEAN Green Bonds being ineligible for exemption or preferential rate, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar 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, provided, that in case of corporate, partnership or trust account investors, such investor shall also submit an original certification from the corporate secretary or an equivalent officer of the investor, setting forth the resolutions of its board of directors or equivalent body authorizing the execution of the undertaking and designating the signatories, with their specimen signatures, for the said purpose; and

(iv) such other documentary requirements as may be required by the Issuer or Registrar or Paying Agent or as may be required under the applicable regulations of the relevant taxing or other authorities; provided, that, the Issuer 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 the Bondholders on the Interest payments to such Bondholders.

Unless otherwise indicated above, the foregoing requirements shall be submitted, (i) in respect of an initial issuance of Bonds, upon submission of the Application to Purchase to the Joint Lead Underwriters or selling agents (if any) who shall then forward the same to the Registrar; or (ii) in respect of a transfer from a Bondholder to a purchaser, to the Registrar upon submission of the account opening documents.

Failure on the part of the Bondholder to submit the aforementioned document/s within the time prescribed shall result in the application of the regular tax rates.

The foregoing notwithstanding, the Issuer, the Registrar 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 the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

VALUE-ADDED TAX

Gross receipts arising from the sale of the ASEAN Green Bonds in the Philippines by dealers in securities shall be subject to a 12% value-added tax. The term “gross receipt” means gross selling price less acquisition cost of the ASEAN Green Bonds sold.

GROSS RECEIPTS TAX

Bank and non-bank financial intermediaries performing quasi-banking functions are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

Maturity period is five years or less: 5%

Maturity period is more than five years: 1%

Non-bank financial intermediaries not performing quasi-banking functions doing business in the Philippines are likewise subject to gross receipts tax. Gross receipts of such entities derived from sources within the Philippines from interests, commissions and discounts from lending activities are taxed in accordance with the following schedule based on the remaining maturities of the instruments from which such receipts are derived, based on the following schedule:

Maturity period is five years or less: 5%
Maturity period is more than five years: 1%

In case the maturity period of the instruments held by banks, non-bank financial intermediaries performing quasi-banking functions and non-bank financial intermediaries not performing quasi-banking functions is shortened through pre-termination, then the maturity period shall be reckoned to end as of the date of pretermination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the ASEAN Green Bonds by banks and nonbank financial intermediaries performing quasi-banking functions shall be taxed at 7%.

DOCUMENTARY STAMP TAX

A documentary stamp tax is imposed upon the issuance of debt instruments issued by Philippine companies, such as the ASEAN Green Bonds, at the rate of ₱1.50 for each ₱200, or fractional part thereof, of the issue price of such debt instruments; provided that, for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

Regulatory Framework

The statements herein are based on the laws in force as of the date of this Offer Supplement 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.

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 14 February 2019, created the Department of Human Settlements and Urban Development (the "DHSUD"), through the consolidation of the Housing and Land Use Regulatory Board ("HLURB") and the Housing and Urban Development Coordinating Council ("HUDCC").[38] 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 enumerates 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

[38] 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.

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, 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 local government unit 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 or buildings 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 the building official of the city or municipality where the property lies and the same shall be acted upon subject to the conditions 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 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 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.

Developers who sell lots or units in a subdivision or a condominium project are required to register the project with and obtain a license to sell from the DHSUD. Subdivision or condominium units may only be sold or offered for sale after a license to sell 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, are required. Developers must also include a statement in their license to sell 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 license to sell 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 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 license to sell subdivision lots and condominium units in the registered units; (iv) approval of performance bond and the suspension of license to sell; (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 license to sell 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.

Project permits and licenses to sell may be suspended, cancelled or revoked by the DHSUD, by itself or upon a verified complaint from an interested party, for reasons such as involvement in fraudulent transactions, misrepresentation, and/or failure to conduct 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.

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, 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; or

3. 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 relating to such project, which restrictions shall constitute a lien upon each condominium 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 RD shall enter and annotate the declaration of restrictions upon the certificate of title covering the land included within the project.

The declaration of restrictions 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 to sell, 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 license to sell 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 license to sell 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 Time of Completion as stated in the license to sell shall be binding and obligatory upon the owner or developer, but if it provides a shorter period in any form of advertisement, it shall be bound by the shorter period.

The Guidelines also provides that the Time of Completion which shall include the date, time and year shall be indicated in the license to sell 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 license to sell 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 17 June 2019 the HLURB 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 and verify reports of alleged violations of the laws, rules and regulations implemented by the HLURB. The Regional Officer may issue Authority to Monitor specific projects, cease-and-desist orders restraining the commission or continuance of acts, impose fines and penalties for violations of law, rules and regulation, cite any person in direct contempt, and issue writs or alias writs of execution to enforce orders and rulings of the Regional Office.

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 and commercial lots).

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, 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.

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 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 local government unit 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 a local government unit'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, however, land classified for agricultural purposes as of or after 1 June 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 on 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 restriction 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 surveying, 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 Register of Deeds ("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 shall, if registered, filed or entered in the office of the RD for the province or city where the land to which it relates lies, be constructive notice to all persons from the time of such registering, filing or entering.

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.

Environmental laws and safety standards

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 are considered environmentally critical projects 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 the 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 HLURB.

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.

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.

All buildings or structures as well as accessory facilities thereto shall conform in all respects to the principles of safe construction under the National Building Code. Every applicant for a building permit under the National Building Code is likewise required to secure a Height Clearance Permit from the Civil Aviation Authority of the Philippines.

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 and 1% in provinces. A province or city, or a municipality within Metro Manila may also levy and collect an annual tax of one percent (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 local government unit 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 two percent (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 thirty-six (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.

ASEAN Green Bonds

SEC Memorandum Circular No. 12-18: Guidelines on the Issuance of Green Bonds under the ASEAN Green Bonds Standards in the Philippines

The issuance of ASEAN Green Bonds is subject to the requirements under the ASEAN Green Bonds Standards, as enumerated and incorporated in the *Guidelines on the Issuance of Green Bonds under the ASEAN Green Bonds Standards in the Philippines* issued by SEC in its Memorandum Circular No. 12-18 on August 31, 2018. These requirements shall be in addition to the applicable requirements under Sections 8 and 12 of the SRC, unless an exemption is available under Section 9 or 10 of the SRC.

ASEAN Green Bonds are bonds which comply with ASEAN Green Bonds Standards, the proceeds of which will be exclusively applied to finance or refinance, in part or in full, new and/or existing Green Projects. To be eligible to issue ASEAN Green Bonds, the issuer must be a member of the ASEAN. However, a non-member of the ASEAN can also issue ASEAN Green Bonds as long as the Eligible Green Projects it funds are located in any ASEAN member country. Eligible Green Projects are those that provide clear environmental benefits and address one or more key areas of environmental concern, except fossil fuel power generation.

The guidelines stipulate that the use of proceeds from ASEAN Green Bonds must be described in the documentation for issuance of the ASEAN Green Bonds. The issuer must also disclose information on the following: i) the categories of eligible Green Projects to which the ASEAN Green Bonds proceeds will be allocated; ii) information on specific Green Projects in cases where the Issuer has identified the specific Green Projects to which the ASEAN Green Bonds proceeds will be allocated; iii) the process for project evaluation and selection; iv) the process of managing the net proceeds from the ASEAN Green Bonds; and v) the intended types of temporary placement for the balance of unallocated proceeds.

It also recommends that the issuer's process of project evaluation and selection and its management of proceeds from the ASEAN Green Bonds be supported by external review or audit. Issuers of ASEAN Green Bonds must also continuously report to investors on the use of proceeds from the ASEAN Green Bonds and on material developments in a) the list of the projects to which the ASEAN Green Bonds proceeds have been allocated; b) brief description of the projects; and c) the amounts allocated and their expected impact. These reports must be done at least annually and are recommended to be confirmed by external review.

Issuers of ASEAN Green Bonds must make the external review reports on their project evaluation and selection process and auditor or third party reports on their management of proceeds publicly available on a website designated by the Issuer.

Appendix

Consolidated Audited Financial Statements for 31 December 2021, 2020 and 2019
Consolidated Unaudited Financial Statements for 30 June 2022 and 2021