

COVER SHEET
for
FORM 17-A

SEC Registration Number

0 0 0 0 0 1 8 3 8 3 5

COMPANY NAME

A L P H A L A N D C O R P O R A T I O N

PRINCIPAL OFFICE (No. Street Barangay City Town Province)

A l p h a l a n d M a k a t i P l a c e , 7 2 3 2 A y a l a A v e .
e x t . c o r . M a l u g a y S t r e e t , M a k a t i C i t y

Form Type

1 7 - A

Department requiring the report

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

-

Company's Telephone Number

(632) 5-337-2031

Mobile Number

-

No. of Stockholders

89

Annual Meeting

Last Wednesday of May

Calendar Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Ms. Cristina B. Zapanta

Email Address

cbzapanta@alphaland.com.ph

Telephone Number

(632) 5-337-2031

Mobile Number

-

CONTACT PERSON'S ADDRESS

Alphaland Makati Place, 7232 Ayala Ave. ext. cor. Malugay Street, Makati City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE**

1. For the fiscal year ended **December 31, 2019**
2. SEC Identification No. **183835** 3. BIR Tax Identification No. **001-746-612**
4. Exact Name of Issuer as specified in its charter **Alphaland Corporation**
5. **Philippines** 6. ☐ (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code
Incorporation or organization
7. **Alphaland Makati Place, 7232 Ayala Avenue corner Malugay St. Makati City 1209**
Address of Principal Office Postal Code
8. **(632) 5-337-2031**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding	Amount of Debt/ Liabilities Outstanding
Common	28,407,499,420 (exclusive of 423,900 in treasury)	Nil

11. Are any of the securities listed on the Philippine Stock Exchange?

Yes ☐ No ☒

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporate Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒ No ☐

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes ☒ No ☐

13. The aggregate market value of the voting stock held by non-affiliates of the registrant.

Shares held by
Non-affiliates
3,879,840,995

Book value Per Share
as of December 31, 2019
P5.546

Total Book Value
P21,517,598,158

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

(A) Description of Business

Alphaland Corporation (ALPHA or the “Company”), formerly Macondray Plastics, Inc. (MPI) is a holding company incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). The principal business of ALPHA and its subsidiaries (collectively referred to as the “Group”) is real property development.

(1) Business Development

- (a) On November, 19, 1990, the Company was incorporated as Agro Plastics, Inc under Securities and Exchange Commission No. 18385 with Pioneer Ventures, Inc. as the controlling shareholder. Until 1994, the Company’s sole business was to supply the requirements of the Lapanday Group’s banana plantations.

Sometime in March 1995, the Company was sold to Macondray & Co., Inc. (“MCI”) and was subsequently renamed Macondray Plastics, Inc. (MPI). In 1997, the Company embarked on a program to reduce its total dependence on the banana industry by further expanding its customer base to commercial/industrial accounts. In November 2000, the Company braved the sluggish stock market and became the first Davao-based, Davao-oriented company to list in the Philippine Stock Exchange (“PSE” or the “Exchange”). The proceeds of the initial public offering were used to expand the Company’s production capacity and capabilities. In September 2009, the Company decided to spin off the operations and maintenance of its plastics manufacturing interest to a separate juridical entity. Thus, Macondray Plastics Products, Inc. (MPPI) was then incorporated and registered with the SEC on September 25, 2009 and became a wholly owned subsidiary of the Company. Immediately thereafter, a deed of conveyance was executed on October 13, 2009 where the Company shall transfer all of its assets and liabilities relating to the plastics manufacturing interest to MPPI with effect upon the approval by the SEC of MPPI’s application for increase in authorized capital stock (the “Assignment”). Accordingly, MPPI assumed the management of the Company’s plastic products manufacturing operations and absorbed all the employees of the Company who were all connected to the plastics manufacturing business at that time.

On October 1, 2009, a Share Purchase Agreement (the “SPA”) was executed between RVO Capital Ventures Corporation (“RVO Capital”) and MCI. The transaction involves the acquisition by RVO Capital of MCI’s 99,444,000 shares in the Company which represents MCI’s entire interest in the Company. Since MCI’s interest represents approximately 66% of the Company’s outstanding capital stock, the acquisition thereof triggered the application of the mandatory tender offer rule of the Securities Regulation Code (“SRC”). After the conduct of the tender offer, RVO Capital acquired a total of 142,656,748 shares representing 95% of the Company’s then issued and outstanding capital stock.

On November 18, 2009, the Company and all the stockholders of Alphaland Development, Inc. (ADI) entered into a Share Swap Agreement (SSA) for a share-for-share swap of all of ADI’s issued and outstanding shares (as well as existing shareholders’ advances/deposits for future stock subscriptions) in exchange for new shares to be issued by ALPHA. Each ADI share was exchanged for approximately 5.08 ALPHA shares, or a total of 1,269,734,041 shares of ALPHA. After the share-for-share

swap, ADI became a wholly owned subsidiary of ALPHA thereby allowing the diversification into the property development sector. In view of the foregoing, the Company applied for the amendment of its Articles of Incorporation involving the (a) change in corporate name from “Macondray Plastics, Inc.” to “Alphaland Corporation”, (b) change in primary purpose from plastics manufacturing to that of a holding company, (c) change in principal place of business from Davao City to Makati City, and (d) increase in its authorized capital stock from P400.0 million to P5.0 billion, among others. These amendments were approved by the SEC on April 7, 2010.

On December 23, 2010, ALPHA signed a Memorandum of Understanding (“MOU”) with Macondray Philippines Co., Inc. (“MPCI”), where the latter is offering to buy ALPHA’s entire interest in MPPI upon completion of the Assignment and which ALPHA accepted for a reasonable consideration to be determined nearer to the Assignment.

On April 29, 2011, the SEC approved the increase in authorized capital stock of MPPI that completed the Assignment and total spinoff of MPPI. It paved the way for the Company’s eventual sale of MPPI to MPCI. A Deed of Absolute Sale was executed on October 28, 2011 for a consideration of ₱254.0 million.

- (b) For the past three years, the Company does not have any bankruptcy, receivership or similar proceedings.
- (c) The Company has likewise not undergone any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business for the past three years.

(2) Business of the Company

(a) Description of Registrant

ALPHA’s Significant Legal Subsidiaries as at December 31, 2019

- a. *Alphaland Balesin Island Resort Corporation (ABIRC)*, 100%-owned by ALPHA, was incorporated in the Philippines and registered with the Philippine SEC on May 26, 2010. ABIRC’s primary purpose is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, and exchange or otherwise dispose, as may be permitted by law, of real and personal property of every kind and description.

ABIRC has investment in preferred shares of Alphaland Balesin Island Club, Inc. (ABICI).

- b. *Alphaland Southgate Tower, Inc. (ASTI)*, 100%-owned by ALPHA, was incorporated in the Philippines and registered with the Philippine SEC on May 29, 2007. ASTI’s primary purpose is to engage in real property acquisition and development. ASTI’s acquired property pertains to a 20-storey office tower building with a 6-storey podium shopping mall known as Alphaland Southgate Tower (see Note 14).
- c. *Alphaland Makati Place, Inc. (AMPI)*, 100%-owned by ADI, was incorporated in the Philippines and registered with the Philippine SEC on March 6, 1991 as Silvertown Property Development Corporation. On February 26, 2010, the Philippine SEC approved the change in corporate name from “Silvertown Property Development Corporation” to “Alphaland Makati Place, Inc.”

AMPI's primary purpose is to acquire by exchange of shares, purchase, lease that specific property described as three storey building with basement of strong materials together with the warehouse, other land improvements and machinery and equipment as well as the leasehold rights on the land, which is situated at Ayala Avenue corner Malugay Street, Makati, Metro Manila.

AMPI entered into a joint venture with Boy Scouts of the Philippines (BSP) to develop the Malugay Property into a first class commercial development now known as Alphaland Makati Place. It is a mixed-use property development consisting of three (3) high end residential towers atop an upscale six-storey podium with a shopping center and a City Club, including a Boy Scout Convention Center.

AMPI has investment in preferred shares of The City Club at Alphaland Makati Place, Inc. (TCCAMPI).

- d. *Alphaland Reclamation Corporation (ARC)*, 100%-owned by ALPHA, was incorporated in the Philippines and registered with the Philippine SEC on April 5, 2011, and primarily engaged in the construction of reclamation projects and to contract for and perform reclamation works.
- e. *Alphaland Balesin International Gateway, Inc. (ABIGI)*, 100%-owned by ALPHA, was incorporated in the Philippines and registered with the SEC on May 19, 2010, and primarily engaged to invest in, purchase or otherwise acquire and own, hold use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose, as may be permitted by law, of real and personal property of every kind and description.
- f. *Alphaland Aviation, Inc. (AAI)*, 100%-owned by ALPHA, was incorporated in the Philippines and registered with the Philippine SEC on July 31, 2012 and is primarily engaged in the aviation industry and its related businesses, including but not limited to, the provision of hangarage and moorage, parking and landing operations, aircraft maintenance, supply of parts, oils, and lubricants and other related businesses.
- g. *Alphaland Baguio Mountain Log Homes, Inc.. (ABMLHI)*, 100%-owned by ALPHA, was incorporated in the Philippines and registered with the Philippine SEC on January 17, 2013 and its primary purpose is to purchase, own and hold the stock of other corporations, and to do every act and thing covered generally by the denomination of "holding corporation," especially to direct the operations of other corporations through the ownership of stock therein.
- h. *2258 Blue Holdings, Inc. (Blue Holdings)*, 100%-owned by ASTI, was incorporated in the Philippines and registered with the Philippine SEC on November 17, 2012 and its primary purpose is to purchase, own and hold the stock of other corporations, and to do every act and thing covered generally by the denomination of "holding corporation," especially to direct the operations of other corporations through the ownership of stock therein.
- i. *Alphaland Southgate Restaurants, Inc. (ASRI)*, 100%-owned by ASTI, was incorporated in the Philippines and registered with the Philippine SEC on March 28, 2011 as Alphaland Ukiyo, Inc. It was renamed as ASRI on June 27, 2013. Its primary purpose is to establish, maintain and operate restaurants, coffee shops, refreshment parlors and cocktail lounge. ADI initially subscribed to 4,999,998 common shares of ASRI representing 50% of its outstanding shares in March 2011, which was then accounted for as an associate. In September 2013, ADI purchased the other 50% from existing shareholders for ₱3.3 million. Consequently, ASRI became a 100%-owned subsidiary effective September 2013.

- j. *Alphaland International, Inc. (AII)*, 100%-owned by ADI, was incorporated in the Philippines and registered with the Philippine SEC on January 29, 2014 and its primary purpose is to sell assets, including club shares and condominium units of the Group outside the Philippine market.
 - k. *Choice Insurance Brokerage, Inc. (CIBI)*, 70%-owned by Blue Holdings, was incorporated in the Philippines and registered with the SEC on November 6, 2012, and is primarily engaged to, conduct, carry on and maintain insurance business, to act as a broker, and to do other related activities. In 2012, Blue Holdings subscribed to 70% of CIBI's shares of stock for a cash consideration of ₱14.0 million. In 2013, CIBI issued additional 2,500,000 shares of stock to its shareholders at par value to maintain the required capitalization needed for its application as an insurance broker.
- (i) For the years ended December 31, 2019, 2018 and 2017, there were no revenue transactions entered into by the Group with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.
 - (ii) The Group operates its business in the Philippines and has no revenues contributed by foreign sales. Its network of high-end clientele are the members of the Club who are largely Filipinos.
 - (iii) **Distribution Methods of Products or Services**
Being a holding company, the Company does not have any products or services to distribute.
 - (iv) **New Product or Service**

As of December 31, 2019, the Company has not made public-announcements on the launching of any new product or service.
 - (v) **Competition**

The Company is subject to significant competition in each of the industry segments where its subsidiaries operate.

In terms of the property development sector, there are a number of real estate developers, some with greater financial and other resources and more attractive locations, that compete with the Group in seeking properties for acquisition, resources for development, and prospective clients. The Group believes that in an emerging market like the Philippines, a bold, well-capitalized developer is best positioned to acquire and reinvent prime but underdeveloped sites. In less than a year, the Group has built an inventory of incomparable properties. The Group stands for development done right, with attention to detail and focus on quality for the long term that delights its customers, and gives its shareholders the best return.

Strategy

The Group positions itself as a selective property investor and operator focusing on very few, large, premium projects. Recognizing opportunity in an emerging market, the Group's strategy is to acquire and revitalize prime sites that have languished due to volatile economic cycles. This strategy has proven successful since while being one of the youngest in the industry, the Group can already boast of major development projects.

- (vi) **Sources and Availability of Raw Materials and Name of Principal Suppliers**

This is not relevant to the operations of the Group.

(vii) Dependence on Customers or a Few Customers

The Group is not dependent on one or few major customers. AMPI sells club shares and residential condominium units to a large network of high-end clientele while leasing out mall space to several dining and retail clients. ABIRC also sells club shares to a targeted customer base of high net worth individuals.

(viii) Transactions with and/or Dependence on Related Parties

The Group, in its regular conduct of business, has transactions with its related companies. The following tables summarize the transactions with the related companies and outstanding balance arising from these transactions.

Other transactions of the Group with its related companies are as follows:

- RVO is the beneficial owner of the investment properties (e.i. Baguio Property) acquired by the Group during 2015.
- In 2016, the Group entered into lease agreements with TCCAMPI and ABICI for the rental space of AWCI. In January 2017, ABICI and TCCAMPI rescinded the lease agreement and started to assume the rental charges at no cost to AWCI. Rent expense amounted to ₱23.2 million in 2016.
- In April 2013, ABICI and the ABIRC executed a Letter Agreement wherein the parties agreed that the difference between the budget under the Supplementary DA and the actual construction costs incurred will be treated as advances to ABICI. Advances to ABICI related to this agreement amounting to ₱1,575.5 million as at December 31, 2018 and 2017 is due and demandable
- On August 5, 2012, ALPHA, ASTI and ABICI executed a Letter Agreement whereby ASTI, as the development arm of the Alphaland Group and on behalf of ALPHA, undertakes to perform ALPHA's obligations under the DA (as supplemented) entered into by ALPHA with ABIRC and ABICI over the Island Club, specifically to provide a subsidy to the Island Club's operations during ABICI's construction period.

Terms and Conditions of Transactions with Related Companies

Outstanding balances as of year-end are unsecured, noninterest-bearing and settlement occurs in cash or equity. The Group has not made any provision for impairment losses relating to the amounts owed by related companies.

(ix) Intellectual Property Rights

ALPHA is the owner of the following registered marks:

1. THE ALPHA and logo, with IPO Registration No. 4-2011-002902 dated 7 July 2011.
2. THE CITY CLUB and logo, with IPO Registration No. 4-2011-002993 dated 20 October 2011 (re-filed May 13, 2014)
3. A TASTE OF FRANCE and logo, with IPO Registration No. 4-2014-00012033 dated 25 June 2015
4. BALESEN ISLANDER and logo, with IPO Registration No. 4-2014-00012034 dated 25 June 2015
5. COSTA DEL SOL and logo, with IPO Registration No. 4-2014-00012035 dated 1 January 2016

ASTI is the registered owner of the following trademarks:

1. "alphaland", with IPO Registration No. 42008002299 dated 11 August 2008.
2. "alphaland SOUTHGATE", with IPO Registration No. 4/2012/00009729 dated 16 May 2013
3. THE ALPHA TENTS and logo, with IPO Registration No. 4/2012/00009730 dated 16 May 2013
4. ALPHALAND TOWER and logo, with IPO Registration No. 4/2012/00009731 dated 14 June 2013
5. ALPHALAND MAKATI PLACE and logo, with IPO Registration No. 4/2012/00009732 dated 14 June 2013
6. THE ALPHALAND BALE SIN CLUB and logo, with IPO Registration No. 4/2012/00009733 dated 14 June 2013
7. ALPHALAND MARINA CLUB and logo, with IPO Registration No. 4/2012/00009734 dated 14 June 2013
8. MARK'S PRIME RIB and logo, with IPO Registration No. 4-2014-00012036 dated 25 June 2015
9. TOSCANA and logo, with IPO Registration No. 4-2014-00012037 dated 16 July 2015
10. MARK'S STEAKHOUSE and logo, with IPO Registration No. 4-2018-00005196 dated 20 September 2018
11. THE ALPHA and logo, with IPO Registration No. 4-2014-0005916 dated 11 September 2014
12. ALPHALAND BALE SIN ISLAND GATEWAY and logo, with IPO No. 4-2015-00009149 dated 3 March 2016
13. TANG PALACE and logo, with IPO Registration No. 4-2018-00016729 dated 7 July 2019

AMPI is the registered owner of the following trademarks:

1. UPMARKET AT MAKATI PLACE and logo, with IPO Registration No. 4-2016-00013168 dated 17 October 2019

AWCI is the registered owner of the following trademarks:

1. AEGLE DRUGSTORE and logo, with IPO Registration No. 4-2017-00017323 dated 13 October 2019

(x) Need for any Government Approval of Principal Products or Services

The Group's operating units are required to secure permits and licenses from the different agencies of the national government and local government units. These permits include business permits, environmental compliance certificate, building permits and occupancy permits. The Group incurs expenses for the purposes of complying with environmental laws that consist primarily of payments for government regulatory fees. Such fees are standard in the industry and are minimal.

(xi) Effect or Probable Governmental Regulations on The Business

The Group complies with all existing government regulations applicable to the business of each company and secures all government approvals for each registered activity. Currently, there are no known probable governmental regulations that may significantly affect the business of the Group.

(xii) Amount Spent on Research and Development

The Group engages in research and development activities focusing on the types of construction of materials, construction methodology, value-engineering, and quality assurance for its

projects. The expenses incurred by the Group in connection with these activities are not material.

(xiii) **Cost of Compliance with Environmental Laws**

The Company complies with all existing government regulations and environmental laws, the costs of which are not material. As a holding company, it has no material development activities.

(xiv) **Employees**

ASTI provides the management and administrative support such as legal, finance, marketing, and human resource requirements of the Group. ASTI has a total manpower complement of 187 employees as of December 31, 2019 classified as follows:

Executives and Managers	102
Staff	85

ASTI has not experienced any disruptive labor disputes, strikes, or threats of strikes, and ASTI believes that its relationship with its employees in general is satisfactory. ASTI's employees are not unionized.

Item 2. Properties

Alphaland Southgate Tower

In January 2008, ASTI acquired from South China Resources, Inc. and the Puyat family two parcels of land measuring a total of 9,497 square meters, more or less, at the corner of EDSA and Chino Roces Avenue in Makati City together with the existing improvements thereon. The property is now a fully developed and operational 20-storey office tower building with a 6-storey podium known as Alphaland Southgate Tower. It was declared an Information Technology Zone on January 12, 2009 by the Philippine Economic Zone Authority, pursuant to Presidential Proclamation No. 1692 dated December 22, 2008.

The property secured the long-term loan facility of ALPHA under OLSA with BDO, which was later assigned by BDO to the PBCOM Trust and Wealth Management Group on January 23, 2019. Subsequently, the property was sold on March 15, 2019 to prepay the entire balance of the loan.

Alphaland Makati Place

This represents the Podium and Tower 3 at the Alphaland Makati Place. The Podium is currently operated as a mall and is for lease to third parties. In 2017, the Group reclassified Tower 3 from "Land and development costs" to "Investment Property" due to change in intention over the property from condominium units for sale to a property held for leasing. The change in management's intention was evidenced by actual change in the use of property.

The property secured the long-term loan facility of ALPHA under OLSA with BDO, which was later assigned by BDO to the PBCOM Trust and Wealth Management Group on January 23, 2019 and subsequently prepaid in full on March 15, 2019.

Alphaland Balesin Island Property

ABIRC acquired approximately 394 hectares of land in Balesin Island, Polillo, Quezon. Additional 12 hectares were also acquired via land-for-share swaps with existing Balesin Island landowners. This brings the total land ownership to approximately 406 hectares. Of this total, approximately 98

hectares were already conveyed to ABICI. The transfer of certificates of title is currently being processed.

In 2017, ABIRC started the development of certain portions of its land for sale. Accordingly, these portions were reclassified to “Land and development costs”.

Certain lots and improvements in Balesin Island secured the long-term loan facility of ALPHA under OLSA with BDO, which was later assigned by BDO to the PBCOM Trust and Wealth Management Group on January 23, 2019 and subsequently prepaid in full on March 15, 2019.

Silang Property

ASTI’s three parcels of land in Silang, Cavite, measuring a total of 300,000 square meters, more or less, is reserved for future development. The property secured the long-term loan facility of ALPHA under OLSA with BDO, which was later assigned by BDO to the PBCOM Trust and Wealth Management Group on January 23, 2019 and subsequently prepaid in full on March 15, 2019.

Baguio Property

This consists of parcels of land and related transaction costs acquired by the Group (through a wholly-owned subsidiary) from various sellers in July 2015. The beneficial owner of the entire property is RVO, the majority shareholder and Chairman of ALPHA.

These parcels of land, measuring approximately 73.4 hectares as of the end of 2015, of rolling terrains are situated in Itogon, Benguet, just ten minutes from Baguio City by land. RVO likewise transferred to the Group rights to another 2.9 hectares of land to complete the total area at 76.3 hectares. The Group is developing the property into the Alphaland Baguio Mountain Lodges.

The fair value of the property based on an independent appraiser’s report dated January 21, 2020 and October 22, 2018 is at P10,500 per square or a total of P6.5 billion and P9,000 per square meter or a total of P4.7 billion, respectively.

The Group acquired the property in 2015 at its zonal value, or a total acquisition cost of ₱106.0 million, which is substantially below the appraised value. As a consideration to RVO for having sold the property at its zonal value, RVO shall have a 15% interest in the project without need of any further investment or equity infusion. The Group will shoulder all development costs required for the project.

In 2016, due to the management’s decision to develop the property as horizontal condominium for sale, 13.1 hectare of the property that is currently being developed for such purpose, was reclassified to land and development costs. Additional 7.7 hectares and 3.7 hectares were reclassified to land and development costs in 2018 and 2017, respectively.

In 2017, the Group started the development for the initial phase of the project and the Group also acquired additional land, measuring 4.2 hectares.

In 2019, the Group acquired additional land measuring 9.2 hectares. The total land area of the property approximates 86.7 hectares and 77.5 hectares as at December 31, 2019 and 2018, respectively.

Patnanungan Property

As at December 31, 2016 and 2015, respectively, the Group acquired parcels of land aggregating approximately 385.6 hectares and 325.3 hectares of land, respectively, in Patnanungan, Quezon. This brings the total land ownership to 711.0 hectares, more or less, which is reserved for future development.

In December 2017, the Group sold 20.0 hectares to Red Sun Capital Holdings Corporation for ₱8.0 million, resulting to a gain amounting to ₱2.1 million. In 2018, the contract to sell was rescinded resulting to a loss amounting to ₱2.1 million.

In December 2018, the Group acquired 42.2 hectares with a carrying amount of ₱31.7 million. This brings the total land ownership to 753.2 hectares as of end 2019.

Atimonan Property

ABIRC's land in Atimonan, Quezon Province, measuring a total of 21,000.5 square meters, more or less, is reserved for future development.

The fair value of the investment properties as at December 31, 2015 is based on valuations performed by accredited independent appraisers. As at December 31, 2017, the management evaluated that the carrying value of the investment property approximates the fair value as at reporting date since there were no significant changes in the condition of this property and economic environment between those dates

Item 3. Legal Proceedings

Except as disclosed herein or in the Definitive Information Statements (DIS) of the Company or its Subsidiaries, which are themselves public companies, or as has been otherwise publicly disclosed, there are no material legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five years to which the Company or any of its subsidiaries or its directors or executive officers is a party or of which any of its material properties is subject in any court or administrative government agency.

Below are the significant legal proceedings involving the Company for the past five years:

- a. *Airbus Helicopters Philippines, Inc. v. Alphaland Corporation Inc., Alphaland Development Inc., and Alphaland Aviation, Inc.*, docketed as Civil Case No. R-PSY-19-00912-CV. This is a Sum of Money case filed by plaintiff for the recovery of allegedly unpaid charges amounting to ₱6,875,613.64 along with damages. A Consolidated Answer with Counterclaims has been filed on 20 May 2019. The case is due for re-raffling to another sala due to the retirement of the Presiding Judge.
- b. *Alphaland Corporation, et al. vs. Ernesto Mercado*, pending with the Makati Regional Trial Court Branch 147 docketed as Civil Case No. 15-1172. This is a complaint for Damages filed by complainant Alphaland Corporation (AC), Alphaland Makati Place, Inc. (AMPI) and Alphaland Southgate Tower, Inc. (ASTI). Complainant prayed for the Honorable Court that judgment be rendered finding defendant to have defamed/libeled complainant and ordering defendant to pay ₱25,000,000 in moral damages, ₱25,000,000 in exemplary damages and ₱1,000,000 in attorney's fees and costs of suit. Case is at the trial stage.
- c. *Redentor Y. Agustin vs. Alphaland Corporation*, with the Supreme Court docketed as G.R. No. 218282 with the Supreme Court (2nd Division). This is a complaint for Illegal Dismissal filed by complainant Redentor Y. Agustin ("Agustin") before Labor Arbiter Marita Padolina ("LA Padolina") docketed as NLRC-NCR No. 00-1116616-2011. LA Padolina issued a Decision declaring that complainant Agustin was illegally dismissed and ordering the Corporation to pay him the total amount of ₱336,875.00. This was affirmed by the National Labor Relations Commission (4th Division) and the Court of Appeals ("CA"). Since the CA denied the

Corporation's application for the issuance of a restraining order, it was constrained to pay the said judgment award, inclusive of execution fees. Both parties elevated the Decision of the CA to the Supreme Court in separate Petitions for Review. The Petition for Review filed by the Corporation was docketed as SC G.R. No. 217946, which was denied with finality, while the one filed by complainant Agustin, which is this case, is pending resolution.

- d. *Jose Edwin G. Esico vs. Alphaland Corporation and Alphaland Development, Inc.*, with the Supreme Court docketed as G.R. No. 134512 (1st Division). This case arose from the consolidated cases of: a. Illegal Dismissal filed by complainant Jose Edwin G. Esico ("Esico"); and, b. wrongful resignation, training reimbursement amounting to P977,720.00 and damages filed by Alphaland Development, Inc. (now Alphaland Southgate Tower, Inc.) ("ADI") before Labor Arbiter Lilia S. Savari ("LA Savari"). LA Savari dismissed the complaint for illegal dismissal and ordered the reimbursement of training expenses amounting to P997,700.00. This was reversed by the NLRC (1st Division), and awarded complainant Esico P2,205,000.00 as full backwages, P690,000.00 as separation pay, P 3,680,000.00 as unpaid salaries and 10 % of all monetary awards as Attorney's fees, and affirmed the award of P45,450.00 as proportionate 13th month pay. The Corporation and ADI elevated the case before the Court of Appeals, which reversed the NLRC decision and reinstated the ruling of Labor Arbiter Savari (DISMISSING the complaint against the Corporation and granting the latter's claim for reimbursement of training expenses against Esico) with modification as to the amount of training expenses from P997,700.00 to P977,720.00. Complainant Esico elevated the case to the Supreme Court by way of a Petition for Review on *Certiorari*, which petition is presently pending resolution.

As of December 31, 2019, the Company's subsidiaries are involved with the following legal proceedings:

- a. *Don P. Sudasena vs. Alphaland Makati Place, Inc.*, docketed as Civil Case No. R-MKT-16-03299-CV. This is a case for breach of trust with prayer for issuance of a writ of replevin filed in connection with the BP22 case that AMPI filed against Sudasena entitled *Alphaland Makati Place, Inc. v. Don Sudasena*, docketed as NPS IS No. XV-05-INV-16J-3630. Sudasena is praying for actual damages in the amount of P1,000,000.00, moral damages for P200,000.00 exemplary damages for P50,000.00, attorney's fees and legal expenses P600,000.00 plus P5,000.00 appearance fee, reimbursement of expenses on the writ and bond for P350,000.00. The case was dismissed for lack of jurisdiction prompting the plaintiff to appeal with the Court of Appeals. The court of appeals denied Sudasana's Appeal. Sudasena elevated the case to the Supreme Court by way of Petition for Review on *Certiorari*, which is presently pending decision.
- b. *Sps. Robert Michael Doty and Beverly Doty, represented by their Attorney-in-fact, Charmaine Yasay v. Alphaland Makati Place, Inc.*, docketed as HLURB Case No. REM-061616-15993 of the Housing and Land Use Regulatory Board Expanded National Capital Region Field Office. This is a case for rescission of Contract/Refund with prayer for damages (P2,680,404.00 with 12% interest from payment until fully paid, moral damages of P100,000.00, exemplary damages of P100,000.00, Attorney's fees of P100,000.00, cost of suit and expenses of litigation) filed by Sps. Doty against AMPI.

AMPI filed on 29 July 2016 its Verified Answer with compulsory counterclaim (compensatory damages of no less than P1,000,000.00, exemplary damages of no less than P1,000,000.00, attorney's fees of no less than P500,000.00 and expenses of litigation of P100,000.00). The Housing and Land Use Arbiter ruled in favor of Sps. Doty but reduced the recoverable amount to P1,624,824.00 with interest at the rate of 6% per annum reckoned from the date of the filing of the instant action until fully paid. Both parties appealed the said ruling before the Board of Commissioners. The Board of Commissioners ruled in favor of Sps. Doty and amended the recoverable amount in its ruling. The Corporation filed a Notice of Appeal on 02 August 2018 and an Appeal Memorandum dated 17 September 2018 to the Office of the President, which is presently pending decision.

- c. *Alphaland Makati Place, Inc. vs. Commissioner of Internal Revenue*, docketed as CTA Case No. 9609. This is an appeal filed by Alphaland Makati Place, Inc. (Petitioner) before the Court of Tax Appeals in relation to the Final Decision on Disputed Assessment ("FDDA") dated 20 June 2016 issued by the Bureau of Internal Revenue-Large Tax Payers Division finding the Corporation liable for deficiency Value Added Tax in the amount of P10,391,816.14 and imposing an administrative penalty of P50,000.00. In a Decision dated January 15, 2020, the CTA decided in favor of AMPI and cancelled the FDDA. The CIR moved for reconsideration, which is presently pending resolution by the CTA.
- d. *Datem Incorporated vs. Alphaland Makati Place, Inc. and/or Alphaland Development, Inc.*, docketed as Case No. 21-2017. This is a complaint for arbitration filed before the Construction Industry Arbitration Commission ("CIAC") to resolve the alleged dispute between parties. Claimant Datem Incorporated ("Datem") seeks to recover from the respondents its retention money amounting to Php121,930,996.35, and payment for: (1) extended preliminaries – Php153,109,616.92, (2) progress billings – Php34,076,747.09, (3) extended use of formworks – Php15,480,038.67, (4) unjustified deductions – Php1,131,687.56, (5) exemplary damages – Php1,000,000.00, (6) attorney's fees – Php15,000,000.00, (7) arbitration cost – Php3,000,000.00, and (8) 6% interest. Respondent moved to dismiss the case for failure of the claimant to comply with preconditions to arbitration in accordance with the CIAC Rules. The Motion to Dismiss was denied by the Arbitral Tribunal causing the respondents to elevate the matter to the Court of Appeals on 3 October 2018 by way of a Petition for *Certiorari* (*Alphaland Makati Place, Inc. and/or Alphaland Southgate Tower, Inc. vs. Datem Incorporated and Construction Industry Arbitration Commission*, docketed as C.A. GR SP No. 152827). On 5 April 2018, CIAC rendered a Final Award in favor of Datem amounting to Php235,901,940.49, causing the respondents to file Petition for Review before the Court of Appeals on 24 April 2018 (*Alphaland Makati Place, Inc. and/or Alphaland Southgate Tower, Inc. vs. Datem Incorporated and Construction Industry Arbitration Commission*, docketed as CA G.R. SP No. 155448). The former case (C.A. GR SP No. 152827) has been consolidated with AMPI/ASTI's Petition for Review (CA G.R. SP No. 155448), as per ASTI/AMPI's own motion. On 25 October 2018 the Court of Appeals ruled in favor of the AMPI and ASTI by granting the Consolidated Petitions and dismissing the arbitration case. Datem filed a Petition for Review dated 28 November 2018 assailing the Court of Appeals' Decision before the Supreme Court, which has been

dismissed. Datem once more filed a Petition for Review before Supreme Court assailing the Court of Appeal decision in favor of AMPI/ASTI, which is presently pending decision.

- e. *Alphaland Makati Place, Inc. represented by Atty. Jason J. Alba vs. Canadian American Education Foundation, Inc.*, docketed as NPS No. 18-04069-CV. This is a case seeking the payment of CAEFT's unpaid rentals and other obligations arising from its breach of its lease contract with AMPI in the amount of Php4,271,733.95, to which the opposing party filed a counterclaim for the amount of P3,881,376.51, along with damages. The case is currently at the trial stage.
- f. *Alphaforce Security Agency, Inc. vs. National Labor Relations Commission, Jordan Loterte Donor et. al.*, docketed as G.R. No. 236413. This case arose from a complaint for Illegal Dismissal with claims for: a. Non-payment of Service Incentive Leave Pay (SILP), 13th Month Pay, and Separation Pay; b. Underpayment of Salaries/Wages, Overtime Pay, and 13th Month Pay; and, c. Moral and Exemplary Damages and Allowance & Conditional Temporary Allowance/Productivity filed by complainants Jordan Donor, Alberto Jalbuna, Rodriguez Cabus, Virgilio Velasco, Eduardo Panzo with the National Labor Relations Commission (NLRC), which was assigned to Labor Arbiter Remedios T. Capinig ("LA Capinig"). LA Capinig declared as illegal the dismissal of the complainants. On the Corporation's appeal, the National Labor Relations Commission ("NLRC") reversed the decision of LA Capinig as to complainants Panzo, Cabus and Velasco holding that they were not illegally dismissed and directing the Corporation to look for security assignments where they could be assigned. On the other hand, the NLRC affirmed the decision as to complainants Donor and Jalbuna finding the Corporation liable for separation pay, backwages, and attorney's fees in the total amount of P150,352.49. The Corporation elevated the case to the Court of Appeals by way of Petition for Certiorari, which was denied in its order dated 6 June 2017. The Corporation filed a motion for reconsideration but was also denied by the Court of Appeals. On 25 January 2018, the Corporation elevated the case to the Supreme Court through petition for review, which is now pending resolution.
- g. *Alphaforce Security Agency, Inc. vs. Robert S. Elarde*, docketed as CA-G.R. SP. No.157573. This case arose from a complaint for a) actual illegal dismissal, b) illegal suspension c) non- payment of salaries/wages, Overtime Pay, Holiday Pay, SIL, 13th month pay, and separation pay c) moral and exemplary damages, filed by complainant Robert S. Elarde on 4 February 2016. Labor Arbiter Santos ruled in favor of the complainant in a Decision dated 3 November 2017, ordering ASAI to pay P597,060.00 as backwages, P96,300.00 as separation pay and P69,236.00 as Attorney's fees. The Corporation elevated the case to the NLRC, which affirmed the decision of LA Santos on the Decision dated 31 May 2018. ASAI filed on 2 July 2018 its Motion for Reconsideration but also denied by the NLRC. On 15 November 2018, ASAI elevated the case to the Court of Appeals by way of Petition for *Certiorari*, but was denied. ASAI filed a motion for reconsideration on 29 May 2019, which is presently pending resolution.

- h. *Elmer C. Jandugan vs. Alphaforce Security Agency, Inc., Mr. Carl Arroyo and Mr. Noel Cheung*, docketed as NLRC CASE NO. RAB-IV-06-01153-18-Q. This is a complaint for alleged underpayment of salaries/wages and 13th month pay filed with the Arbitration Division of the National Labor Relations Commission by Elmer C. Jandugan against Alphaforce Security Agency, Inc., Mr. Carl Arroyo and Mr. Noel Cheung. The Labor Arbiter dismissed the claim for underpayment of salaries but awarded Jandugan Php31,174.04 as 13th month pay differential. On 19 August 2019, ASAI filed its Memorandum of Partial Appeal, which is presently pending resolution.
- i. *Richard Nunez vs. Alphaforce Security Agency, Inc. et al.*, docketed as NLRC NCR Case No. 08-01453-19. This is a complaint for alleged Illegal Dismissal with money claims filed with the Arbitration Division of the National Labor Relations Commission by Richardo Nunez against Alphaforce Security Agency, Inc. Mandatory Conferences was terminated without settlement. The case is now for decision by the labor arbiter.

ALPHALAND SOUTHGATE TOWER, INC.

- j. *Roberto V. Ongpin and Alphaland Southgate Tower, Inc. (formerly Alphaland Development, Inc.) vs. Philipp Richard Koeppel.*, docketed as R-MKT 16-02043-CV. This is a case for damages that arose from serious breach of amended contract of engagement (actual damages in the aggregate amount of P2,340,391.32, temperate damages of not less than P4,000,000.00, moral damages of not less than P3,800,000.00 and expenses and cost of not less than P150,000.00). In a Decision dated 7 July 2018, Makati-RTC Branch 132 ruled in favor of the plaintiffs and ordered the defendant to pay the plaintiffs a.) Php2,216,930.66 as actual damages, b.) Php4,000,000.00 as moral damages, and c.) Php150,000.00 as attorney's fees and litigation expenses.
- k. *Alphaland Balesin Island Resort Corporation and Alphaland Southgate Tower, Inc. represented by Atty. Cliburn Anthony A. Orbe vs. Philipp Otto Koeppel*, docketed as NPS No. XV-05-INV-161-3537. This is a case charging the respondent with Qualified Theft before the City Prosecution Office of Makati City. Alphaland Balesin Island Resort Corporation and Alphaland Southgate Tower, Inc. seek to recover the misappropriated amount amounting to P2,681,931.68. The City Prosecutor dismissed the case in the Resolution dated 19 April 2017. Complainants filed their Motion for Reconsideration which was granted in an Order dated 13 October 2017 recommending respondent to be indicted for three (3) counts of estafa under The Revised Penal Code Art. 315 (2)(a). In an Order dated 23 November 2017, a Warrant was issued for the arrest of the accused Philipp Otto Koeppel.
- l. *Timecargo Logistics Corporation*, represented by Sharina Amor Tipay vs. Alphaland Development, Inc., docketed as Civil Case No. R-MKT-17-02124-CV. This is a complaint for Sum of Money filed by Timecargo Logistics Corporation against the Corporation seeking the recovery of P3,001,344.70. The Corporation filed its Answer with Affirmative Defenses and Permissive Counterclaim. In an Order dated 5 March 2018, the court denied the Corporation's Affirmative Defenses. The case is currently at the trial stage.

- m. *Alphaland Southgate Tower, Inc. vs. Clarence Martinez Edu*, docketed as CA SP G.R. No. 156379. This arose from a complaint for Illegal Dismissal with unspecified money claims filed with the National Labor Relations Commission (NLRC), which was assigned to Executive Labor Arbiter Jenneth B. Napisa (ELA Napisa). ELA Napisa ruled in favor of the complainant and ordered ASTI to pay the total amount of P749,162.21 representing separation pay, backwages and attorney's fees. ASTI appealed the case to the NLRC, which denied said appeal and the motion for reconsideration filed by ASTI thereafter. On 29 June 2018, ASTI elevated the case to the Court of Appeals by way of Petition for *Certiorari*, which was denied. ASTI moved for reconsideration, which is presently pending action by the CA.
- n. *Alphaland Development, Inc., Alphaland Aviation, Inc vs. Primitivo Victorio Dispo, Jr.*, docketed as CA-G.R. SP. NO. 158280. This is a complaint for Illegal Dismissal filed with the National Labor Relations Commission (NLRC), which was assigned to Labor Arbiter Romelita N. Rioflorido (LA Rioflorido). LA Rioflorido declared Dispo to have been illegally dismissed and ordered ASTI and AAI, jointly and solidarily, to pay Dispo (a) Backwages at P1,386,000.00; and, (b) Separation Pay of P231,000.00. ASTI and AAI elevated the case to the NLRC, which denied the same, including the motion for reconsideration filed thereafter. ASTI and AAI elevated the case to the Court of Appeals, through petition for certiorari, which the latter denied. On 17 May 2019, ASTI and AAI filed a motion for reconsideration of the order of the Court of Appeals, which was denied. The companies will appeal the adverse decision to the Supreme Court.
- o. *Alphaland Southgate Tower, Inc. vs. Commissioner of Internal Revenue*, docketed as CTA Case No. 9610. This is an appeal filed by Alphaland Southgate Tower, Inc. before the Court of Tax Appeals in relation to the Bureau of Internal Revenue's ("BIR") Final Decision on Disputed Assessment ("FDDA") dated 20 June 2016 finding the Corporation liable for P20,436,979.98 in the form of deficiency Value Added Tax ("VAT") and Compromise Penalty. In a Decision dated December 13, 2019, the CTA dismissed ASTI's Petition. ASTI appealed the adverse decision to the CTA, which appeal is presently pending action.
- p. *Alphaland Development, Inc. vs. Juanito Tadit Jr, et al.*, docketed as SC. G.R. No. 246290. This arose from the consolidated complaints for Illegal Dismissal with unspecified money claims filed by eight (8) complainants with the National Labor Relations Commission, which was assigned to Labor Arbiter Eduardo J. Carpio (LA Carpio). LA Carpio dismissed the complaint of one of the 8 complainants for not filing a position paper. The 7 remaining complainants were declared illegally dismissed and ordered ASTI to pay them full Backwages, Separation Pay and attorney's fees in the total amount of P1,610,783.72. On 29 January 2018, ASTI elevated the case to the NLRC through partial appeal. The NLRC granted the partial appeal, reversed the decision of the labor arbiter and dismissed complainants' illegal dismissal complaint for lack of merit on 30 April 2018. The complainants thereafter elevated the case to the Court of Appeals by way of Petition for *Certiorari*, which reversed the ruling of the NLRC. ASTI filed a motion for reconsideration but was denied by the Court of Appeals. On 22 April 2019, ASTI filed its petition for review on *certiorari* with the Supreme Court.

Item 4. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the annual meeting of stockholders held on May 7, 2019, there were no other matters submitted to a vote of security holders during the period covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(A) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

- (a) The Company's common shares were listed on the PSE on November 23, 2000 but on September 8, 2014, the PSE already issued a resolution delisting the Company as discussed on Part 1 – Business and General Information.

(2) Holders

- (a) The total number of shareholders of common shares, as of December 31, 2019, is 89 and shares outstanding are 28,407,499,420 (exclusive of 4,239,000 in treasury).

The top 20 registered stockholders of the Company as of December 31, 2019 are as follows:

	<i>Name</i>	<i>No. of Shares</i>	<i>%</i>
1.	Alphaland Development, Inc.	13,792,109,780	48.55%
2.	RVO Capital Ventures Corporation	8,426,567,460	29.66%
3.	Boerstar Corporation	1,677,884,300	5.91%
4.	Red Epoch Group Ltd.	961,134,130	3.38%
5.	Fine Land Limited	890,000,000	3.13%
6.	Azurestar Corporation	280,626,360	0.99%
7.	Loustar Corporation	222,570,970	0.78%
8.	Powerventures, Inc.	219,604,500	0.77%
9.	Galaxyhouse, Inc.	190,304,900	0.67%
10.	Crystalventures, Inc.	188,796,760	0.66%
11.	Towermill Capital Ventures Corporation	188,454,140	0.66%
12.	Gemsplace Resources, Inc.	187,512,680	0.66%
13.	Summer Wind Capital Ventures Corporation	167,169,230	0.59%
14.	Noble Care Management Corporation	145,916,470	0.51%
15.	Mega Access Capital Ventures, Inc.	100,825,370	0.35%
16.	Globalcentric Corporation	100,473,660	0.35%
17.	Earthlight, Inc.	100,247,230	0.35%
18.	Regentstar Holdings Corporation	100,138,190	0.35%
19.	Arculli, Derek	100,000,000	0.35%
20.	Citadel Investments Limited	100,000,000	0.35%

(3) Dividends

- (a) The Company has not declared any dividends during the two (2) most recent fiscal years and any subsequent interim period for which financial statements are required to be presented by SRC Rule 68.
- (b) The Company is not aware of any restriction that limits, or is likely to limit in the future, its ability to pay dividends.

(4) Recent Sale of Unregistered or Exempt Securities Including Recent Issuance of Securities Constituting an Exempt Transaction

As at December 31, 2019, the Company entered into the following share subscription agreements:

<i>Date of Subscription</i>	<i>Subscriber</i>	<i>Number of Shares Subscribed</i>	<i>Total Subscription Price (in PhP)</i>
June 11, 2018	Crystalventures, Inc.	18,879,676	224,479,349
June 11, 2018	Earthlight, Inc.	10,024,723	119,294,209
June 11, 2018	Galaxyhouse, Inc.	19,030,490	226,082,227
June 11, 2018	Gemsplace Resources, Inc.	18,751,268	222,765,069
June 11, 2018	Globalcentric Corporation	10,047,366	119,463,179
June 11, 2018	Loustar Corporation	22,257,097	264,414,318
June 11, 2018	Mega Access Capital Ventures, Inc.	10,082,537	119,982,187
June 11, 2018	Powerventures, Inc.	21,960,450	260,890,144
June 11, 2018	Redcrest Holdings Corporation	9,856,652	117,097,022
June 11, 2018	Regenstar Holdings Corporation	10,013,819	119,164,443
June 11, 2018	Summer Wind Capital Ventures Corporation	16,716,923	198,597,048
June 11, 2018	Towermill Capital Ventures Corporation	18,845,414	223,883,517

Other than the foregoing, there were no recent sales of unregistered or exempt securities within the past three (3) years.

(B) Capital Stock:

	<i>Number of Shares</i>	<i>Amount</i>
Authorized capital stock (₱0.1 Par Value)		
Beginning of year	50,000,000,000	₱5,000,000,000
Effect of stock split	-	-
End of year	50,000,000,000	₱5,000,000,000
Issued		
Beginning of year	28,411,738,410	₱2,842,173,841
Additions	10	1
Effect of stock split	-	-
End of year	28,411,738,420	2,842,173,842

	<i>Number of Shares</i>	<i>Amount</i>
Treasury		
Balance at beginning and end of year	(4,239,000)	(1,213,526)
	28,407,499,420	2,840,960,316

Stock Split

On December 10, 2018, the SEC approved the Company's application for a 10-for-1 stock split, whereby its capital stock would be divided into ₱50.0 billion common shares with a par value ₱0.10 each share. The stock split has no dilutive effect on the proportionate percentage ownership of the shareholders.

Item 6. Management Discussion and Analysis or Plan of Operations

Management's Discussion and Analysis

Results of Operations (in thousands)

	Years Ended December 31		Variance	
	2019 (Audited)	2018 (Audited)	Amount	%
REVENUES				
Real estate sold	₱1,115,616	₱1,346,526	(₱230,910)	-17%
Rental income	853,183	1,173,732	(320,549)	-27%
Service income	530,538	306,838	223,700	73%
Interest income	26,545	17,033	9,512	56%
Others	50,454	33,690	16,764	50%
	2,576,336	2,877,819	(301,483)	-10%
COSTS AND EXPENSES				
Cost of services	761,631	646,589	115,042	18%
Cost of real estate sold	552,587	859,354	(306,767)	-36%
General and administrative	1,121,855	1,237,330	(115,475)	-9%
	2,436,073	2,743,273	(307,200)	-11%
OTHER INCOME (EXPENSES)				
Gain on fair value changes of investment properties	18,286,157	7,453,516	10,832,641	145%
Net accounting loss on sale of Southgate	(7,003,266)	-	(7,003,266)	0%
Finance costs	(190,870)	(321,345)	130,475	-41%
Other gains (losses) - net	(7,472)	(100,857)	93,385	-93%
	11,084,549	7,031,314	4,053,235	58%
INCOME BEFORE INCOME TAX	11,224,812	7,165,860	4,058,952	57%
PROVISION FOR INCOME TAX				
Current	826,587	68,380	758,207	1109%
Deferred	2,565,137	2,369,177	195,960	8%
	3,391,724	2,437,557	954,167	39%
NET INCOME (LOSS)	7,833,088	4,728,303	3,104,785	66%
OTHER COMPREHENSIVE INCOME				
<i>Not to be reclassified to profit or loss in subsequent years:</i>				
Revaluation increase	768,967	4,365,148	(3,596,181)	-82%
Income tax effect	(230,690)	(1,287,956)	1,057,266	-82%
	538,277	3,077,192	(2,538,915)	-83%
Unrealized valuation gain on club shares for sale	2,732,624	1,084,338	1,648,286	152%

Income tax effect	(409,894)	(162,651)	(247,243)	152%
	2,322,730	921,687	1,401,043	152%
Remeasurement gain(loss) on retirement liability	(4,393)	-	(4,393)	0%
	2,856,614	3,998,879	(1,142,265)	-29%
TOTAL COMPREHENSIVE INCOME	₱10,689,702	₱8,727,182	₱1,962,520	22%
Net income attributable to:				
Equity holders of the Parent Company	₱7,831,868	₱4,727,912	₱3,103,956	66%
Noncontrolling interests	1,220	391	829	212%
	₱7,833,088	₱4,728,303	₱3,104,785	66%
Total comprehensive income attributable to:				
Equity holders of the Parent Company	₱10,688,482	₱8,726,791	₱1,961,691	22%
Noncontrolling interests	1,220	391	829	212%
	₱10,689,702	₱8,727,182	₱1,962,520	22%

The Group's net income in 2019 and 2018 amounted to ₱7,833.1 million and ₱4,728.3 million, respectively. Total comprehensive income of the Group is ₱10,689.7 million in 2019 and ₱8,727.2 million in 2018.

10% Decrease in Revenues

The Group showed total revenues amounting to ₱2,576.3 million and ₱2,877.8 million for the years ended December 31, 2019 and 2018, respectively.

The decrease is mainly attributable to the decrease in rental income following the sale of Southgate in March 2019 and in the number of condominium units sold by AMPI in 2019. However, the increase in villas sold by ABIRC and the increase in occupancy rate of TAS in 2019 compensated the total decrease in revenues.

11% Decrease in Costs and Expenses

The sale of Southgate in March 2019 and the decrease in number of condominium units sold by AMPI in 2019 brought about a decrease in costs and expenses from ₱2,743.7 million in 2018 to ₱2,436.1 million in 2019.

58% Increase in Other Income (Expenses)

Other income (expense) increased by ₱4,053.3 million from ₱7,031.3 million in 2018 to ₱11,084.5 million in 2019. The significant increase is attributable to the increase in fair value of Silang, Makati Place, Baguio, Patnanungan and Balesin properties. Increase is also attributable to the decrease in finance costs as a result of the full pre-termination of the loans of the Group in the first quarter of 2019.

39% Increase in Provision for Income Tax

Increase in provision for income tax from ₱2,437.6 million in 2018 to ₱3,391.7 million in 2019 is mainly from the income tax on the sale of Southgate property..

	Years Ended December 31		Variance	
	2018	2017	Amount	%
REVENUES	₱2,877,819	₱2,483,427	₱394,392	16%
COSTS AND EXPENSES				
Cost of real estate sold	859,354	834,340	25,014	3%
Cost of services	646,589	360,468	286,121	79%
General and administrative	1,237,330	874,784	362,546	41%
	2,743,273	2,069,592	673,681	33%
OTHER INCOME (EXPENSES)				
Gain on fair value changes of investment properties	7,453,516	11,471,819	(4,018,303)	-35%
Interest expense and other finance charges	(321,345)	(365,727)	44,382	-12%
Other gains (losses) – net	(100,857)	51,476	(152,333)	-296%
	7,031,314	11,157,568	(4,126,254)	-37%
INCOME BEFORE INCOME TAX	7,165,860	11,571,403	(4,405,543)	-38%
PROVISION FOR INCOME TAX				
Current	68,380	58,161	10,219	18%
Deferred	2,369,177	3,344,210	(975,033)	-29%
	2,437,557	3,402,371	(964,814)	-28%
NET INCOME	4,728,303	8,169,032	(3,440,729)	-42%
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Not to be reclassified to profit or loss in subsequent years:</i>				
Revaluation increase	4,365,148	9,515	4,355,633	45776%
Income tax effect	(1,287,956)	(2,854)	(1,285,102)	45028%
	3,077,192	6,661	3,070,531	46097%
Unrealized valuation gain on equity securities designated as FVOCI	1,084,338	–	1,084,338	0%
Income tax effect	(162,651)	–	(162,651)	0%
	921,687	–	921,687	0%
Remeasurement gain (loss) on retirement liability	–	22,504	(22,504)	-100%
<i>To be reclassified to profit or loss in subsequent years:</i>				
Reclassification adjustments on disposal of AFS financial assets	–	(216,038)	216,038	-100%
Unrealized valuation gain on AFS financial assets	–	58,146	(58,146)	-100%
Income tax effect	–	15,789	(15,789)	-100%
	–	(142,103)	142,103	-100%
	3,998,879	(112,938)	4,111,817	-3641%
TOTAL COMPREHENSIVE INCOME	₱8,727,182	₱8,056,094	₱671,088	8%
Net income attributable to:				
Equity holders of the Parent Company	₱4,727,912	₱8,167,662	(₱3,439,750)	-42%
Noncontrolling interests	391	1,370	(979)	-71%
	₱4,728,303	₱8,169,032	(₱3,440,729)	-42%
Total comprehensive income attributable to:				
Equity holders of the Parent Company	₱8,726,791	₱8,054,768	₱672,023	8%
Noncontrolling interests	391	1,326	(935)	-71%
	₱8,727,182	₱8,056,094	₱671,088	8%

The Group's net income in 2018 and 2017 amounted to ₱4,728.3 million and ₱8,169.0 million, respectively. Total comprehensive income of the Group is ₱8,727.2 million in 2018 and ₱8,056.1 million in 2017.

16% Increase in Revenues

The Group's total revenues are ₱2,877.8 million and ₱2,483.4 million for the years ended December 31, 2018 and 2017, respectively. The increase is mainly due to the additional tenants of AMPI and ASTI in 2018 and increase in service income of AAI from Alphaland Balesin Island Club, Inc. (ABICI)

33% increase in Costs and Expenses

Increase from ₱2,069.6 million in 2017 to ₱2,743.7 million in 2018 is mainly from the costs related to the additional tenants of AMPI and ASTI and number of flights of AAI

Financial Condition (in thousands)

	As of December 31		Variance	
	2019 (audited)	2018 (audited)	Amount	%
ASSETS				
Current Assets				
Cash and cash equivalents	494,184	110,157	384,027	349%
Trade and other receivables	1,589,758	1,773,928	(184,170)	-10%
Land and development costs and parking lots for sale	3,310,222	3,080,140	230,082	7%
Advances to related companies	3,527,104	3,119,379	407,725	13%
Club shares for sale	1,062,311	1,065,311	(3,000)	0%
Other current assets	1,337,541	2,189,454	(851,913)	-39%
Total Current Assets	11,321,120	11,338,369	(17,249)	0%
Noncurrent Assets				
Investment in and advances to an associate	12,349	12,349	-	0%
Club shares for sale - net of current portion	32,496,589	29,970,774	2,525,815	8%
Investment properties	54,642,253	47,675,812	6,966,441	15%
Property and equipment	10,698,168	10,174,812	523,356	5%
Other noncurrent assets	198,764	190,584	8,180	4%
Total Noncurrent Assets	98,048,123	88,024,331	10,023,792	11%
	109,369,243	99,362,700	10,006,543	10%
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	5,612,035	3,896,062	1,715,973	44%
Advances from related companies	356,542	245,252	111,290	45%
Current portion of:			-	0%
Customers' deposits	83,927	3,592	80,335	2236%
Long-term debt	-	1,223,962	(1,223,962)	-100%
Income tax payable	505,775	66,949	438,826	655%
Total Current Liabilities	6,558,279	5,435,817	1,122,462	21%
Noncurrent Liabilities				
Customers' deposits - net of current portion	192,877	266,111	(73,234)	-28%
Retirement liability	65,784	44,509	21,275	48%
Net deferred tax liabilities	21,672,232	18,541,246	3,130,986	17%
Long-term debt - net of current portion	-	4,974,969	(4,974,969)	-100%
Other noncurrent liabilities	49,743	29,910	19,833	66%
Total Noncurrent Liabilities	21,980,636	23,856,745	(1,876,109)	-8%
Total Liabilities	28,538,915	29,292,562	(753,647)	-3%
Equity Attributable to Equity Holders of the Parent Company				
Capital stock	2,842,174	2,842,174	-	0%
Additional paid-in capital	12,769,730	12,769,730	-	0%
Retained earnings	53,419,451	45,295,494	8,123,957	18%
Other comprehensive income:				
Cumulative unrealized valuation gain on club shares for sale	25,057,294	22,891,678	2,165,616	9%
Revaluation surplus	3,577,428	3,103,638	473,790	15%
Accumulated remeasurement gain on retirement liability	40,957	45,350	(4,393)	-10%
	97,707,034	86,948,064	10,758,970	12%
Less:				
Parent Company's shares held by a subsidiary	16,881,220	16,881,220	-	0%
Cost of treasury shares	1,214	1,214	-	0%
	80,824,600	70,065,630	-	0%
Noncontrolling interests	5,728	4,508	1,220	27%
Total Equity	80,830,328	70,070,138	10,760,190	15%
	109,369,243	99,362,700	10,006,543	10%

Total assets of Alpha increased by ₱10,006.5 million or 19% from ₱99,362.7 million as of December 31, 2018 to ₱109,369.2 million as of December 31, 2019.

349% Increase in Cash and Cash Equivalents

The increase in cash and cash equivalents was mainly from the proceeds of the sale of Southgate property, collection of receivables and release from restrictions of the debt service reserve account net of loan payments, development costs and other operating expenses

10% Decrease in Trade and Other Receivables

The decrease in Trade and Other receivables is due to the collection of receivables from our tenants and log home buyers

7% Increase in Land and Development Costs and Parking Lots for Sale

Increase in land and development and parking lots for sale is attributable to the additional costs incurred to complete the unsold log homes and villas in 2019.

13% Increase in Advances to Related Companies

Increase is due to the advances to related companies in the ordinary course of business.

39% Decrease in Other Current Assets

Decrease in other current assets is due to the release of the debt service reserve account associated with the extinguishment of loan that it secures. The restricted cash was transferred to cash and cash equivalents. Input tax and creditable tax withheld were applied against the taxes on the sale of Southgate, log homes and villas.

8% Increase in Club Shares for Sale

Increase in club shares for sale is primarily due to appreciation of fair market values of shares of Balesin Island Club.

15% Increase in Investment Properties

The increase in the fair value of Southgate, Silang, Makati Place, Baguio, Patnanungan and Balesin properties was partially offset by the reduction in investment properties relative to the sale of Southgate property.

5% Increase in Property and Equipment

The movement of the accounts mainly pertains to revaluation increase of The Alpha Suites for the year 2019.

Total liabilities of the Group amounted to ₱28,538.9 million and ₱29,292.6 million as of December 31, 2019 and 2018, respectively.

45% Increase in Advances from Related Parties

Increase in advances from related companies are transactions in the ordinary course of business.

100% Decrease in Long-Term Debt

Long-term debts of the Group were fully prepaid in March 2019.

2236% Increase in Current Portion of Customers' Deposits and 28% Decrease in Customers' Deposits - Net of Current Portion

Movements pertain mainly to the reclassification of customer's deposits of ASTI from noncurrent to current upon sale of Southgate property.

655% Increase in Income Tax Payable

The increase is mainly attributable to the sale of Southgate property, net of creditable taxes.

48% Increase in Retirement Liability

The increase is attributable to the accrual of additional retirement costs for the year 2019.

17% Increase in Net Deferred Tax Liabilities

The increase in fair values of investment properties and club shares for sale brought about the increase in net deferred tax liabilities.

66% Increase in Other Noncurrent Liabilities

Increase is mainly due to recognition of lease liabilities as a result of the application of PFRS 16, *Leases* . effective January 1, 2019

Total equity of the Group jumped by 15% or by ₱10,760.2 million, from ₱70,070.1 million as of December 31, 2018 to ₱80,830.3 million as of December 31, 2019.

18% Increase in Retained Earnings

The increase is brought about by the net income of the Group, amortization of revaluation surplus to retained earnings and reclassification adjustments on disposal of club shares for sale in 2019.

9% Increase in Cumulative Unrealized Valuation Gain on Club Shares for Sale

The increase is due to appreciation of fair market values of shares of Balesin Island Club.

15% Increase in Revaluation Surplus

Increase pertains to the revaluation increase of The Alpha Suites in 2019.

Comparative Key Performance Indicators

	2019 (audited)	2018 (audited)	2017 (audited)
(a) Total comprehensive income attributable to equity holders of the Parent Company (in thousands)	₱10,688,482	₱8,726,791	₱8,054,768
(b) Weighted average number of shares outstanding after the effect of stock split	14,573,224,623	13,640,892,500	12,729,642,885
Basic/diluted earnings per share (a/b)	₱0.733	₱0.640	₱0.633
(a) Total equity (in thousands)	₱80,830,328	₱70,070,138	₱60,415,514
(b) Total number of shares outstanding at end of year before the effect of stock split	14,573,224,630	14,573,224,620	1,273,972,539
Book value per share (a/b)	₱5.546	₱4,808	₱4,746
(a) Total long-term debt (in thousands)	₱-	₱6,198,931	₱6,596,620
(b) Total equity (in thousands)	80,830,328	70,070,138	60,415,514
Debt-to-equity ratio (a/b)	₱-	₱0.088	₱0.109
(a) Total comprehensive income attributable to equity holders of the Parent Company (in thousands)	₱10,688,482	₱8,726,791	₱8,054,768
(b) Average total equity (in thousands)	75,450,233	65,242,826	56,413,627
Return on equity (a/b)	₱0.142	₱0.134	₱0.143

No material off-balance sheet transactions, arrangements, obligations, and other relationships of the Group with unconsolidated entities were created during the year.

As of December 31, 2019, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Group's results of operations; and
- Material changes in the financial statements of the Group for the year ended December 31, 2019.

Commitments

a. Corporate Guaranty

AMPI, a wholly owned subsidiary through ASTI, entered into a Joint Venture Agreement with BSP to develop the Alphaland Makati Place Project. Pursuant to the Joint Venture Agreement, ALPHA has issued a corporate guaranty in favor of BSP whereby, in the event AMPI is unable to complete the Project (for reasons attributable to the fault of AMPI), ALPHA shall pay BSP the amount of ₱600.0 million in exchange for BSP's 15% share in the sharing scheme as defined in the Joint Venture Agreement.

b. Construction Contracts

The Group entered into various construction contracts for the development of its projects. Total advances to contractors amounted to ₱429.6 million and ₱560.2 million as at December 31, 2019 and 2018, respectively.

The significant construction contracts that gave rise to the advances are as follows:

Subsidiary	(In Thousands)		Nature
	2019	2018	
ABMLHI	₱203,827	₱151,716	Supply of labor, materials, equipment and all related construction works for Alphaland Baguio Mountain Lodges Project
AMPI	98,009	280,925	Civil, structural, masonry works and supply and installation of materials for Alphaland Makati Place

Retention Payable

Retention payable is based upon specifically identified construction contracts that stipulate the right of the Group to retain a portion of the progress billings of contractors. Depending on the terms of the contract, all retention payable shall be released to contractors upon 100% completion and acceptance of works normally within one year after completion. Total retention payable amounted to ₱379.6 million and ₱409.0 million as at December 31, 2019 and 2018, respectively. Significant contract with retention clause arises from the civil, structural and masonry works for Towers 1 to 3 and the construction of the Podium.

Contingencies

As a result of the dispute between the Group and with the WG (see Note 16 of the Consolidated Financial Statements), cases have been filed against each other. However, the agreement signed by the major shareholders of ALPHA (as discussed in Note 1 of the Consolidated Financial Statements), includes the assumption by BDC of the responsibility of handling all litigation and/or disputes with the WG.

Deficiency VAT Assessment for ASTI and AMPI. The Bureau of Internal Revenue (BIR) issued a Final Decision on Disputed Assessment (FDDA) to ASTI and AMPI on June 20, 2016 covering the taxable year 2014 amounting to ₱30.9 million. ASTI and AMPI filed their respective motions for reconsideration, which were subsequently denied by the BIR. ASTI and AMPI elevated the cases to the Court of Tax Appeals (CTA). For the case against ASTI, in a Decision dated December 13, 2020, the CTA dismissed ASTI's Petition. ASTI moved for reconsideration, which was denied by the CTA. ASTI's appeal is currently pending before the CTA En Banc, which is currently pending decision. For the case against AMPI, in a Decision dated January 15, 2020, the CTA decided in favour of AMPI and cancelled the Commissioner of Internal Revenue's Decision holding AMPI liable for deficiency VAT (and compromise penalty) for the period covering January 1, 2014 and June 30, 2014. The Commissioner of Internal Revenue moved for reconsideration, which is pending resolution by the CTA.

Other Legal Cases. There are certain lawsuits and claims filed by third parties against the Group which are either pending decision by the proper judicial bodies or under negotiation, the outcome of which are presently undeterminable. In the opinion of the Group's management, the ultimate

disposition of these cases, disputes and assessments will not have a material adverse effect on the financial position or results of operations of the Group.

Plan of Operation

After a successful 2013 for ALPHA that saw the substantial completion of Alphaland Tower and the first phase of Alphaland Makati Place that includes The City Club, the year 2014 will be similarly busy as we focus on the second phase of Alphaland Makati Place , and the newest project in our pipeline, the Alphaland Baguio Mountain Log Homes. The last of Alphaland Balesin Island Club, whose development has significantly expanded in scope from when we first broke ground in 2011, will also be completed in 2014.

The second phase of Alphaland Makati Place will see the rising of 2 residential towers, each with 51 and 46 storeys, and a 33-storey 3rd tower that will be a hotel. The Residences at Makati Place will consist of close to 500 fully-furnished and smart units, split among 1-bedroom, 2-bedroom, and 3-bedroom units, occupying approximately 60 square meters, 90 to 120 square meters and 153 square meters, respectively. Topping off of all 3 towers is expected to be completed by October 2014 while the construction is expected to be done by October 2015.

In 2013, Alphaland Balesin Island Club, our project situated at Polillo, Quezon saw its first full year of operations and a significant growth in the number of visitors especially during the busy seasons of summer and Christmas, which prompted us to lease additional planes on top of the 4 we currently own. The construction also started to wind down during the year. For 2014, we expect the focus to shift to operations as we complete the little that is left of construction including Toscana and the Royal Suites. Furthermore, we expect our international exposure to increase as we expand our share offering to neighboring Asian countries such as Hong Kong, Japan and Indonesia.

Among the projects to be undertaken in 2014 is the Alphaland Baguio Mountain Log Homes Project, which covers approximately 70 hectares of rolling terrain in Itogon, Benguet. The Company aims to transform the property into high-end log cabin homes, prefabricated and imported from the United States of America. Each log homes will have a full panoramic view of Baguio or the northern - mountains beyond.

Item 7. Financial Statements

The audited financial statements of the Group as of and for the year ended December 31, 2019 are filed as part of this Form 17-A.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

In 2019, the Company engaged Reyes Tacandong & Co. as its external auditor for the year. There were no changes in or disagreements with accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure during the past calendar year.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(1) Board of Directors and Executive Officers

The names of the Directors and Executive Officers of the Corporation as of December 31, 2019, and their respective ages, positions held, and periods of service are as follows:

<i>Name</i>	<i>Age</i>	<i>Position</i>	<i>Period During Which the Individual has Served as Such</i>
Roberto V. Ongpin	83	Chairman of the Board, Chief Executive Officer and Director	November 11, 2009 to present
Anna Bettina Ongpin	55	Vice-Chairman and Director	February 1, 2020 to present; March 19, 2014 to present
Eric O. Recto	56	Vice Chairman and Director	June 20, 2018 to present
Dennis O. Valdes	58	President and Director	February 1, 2020 to present; November 11, 2009 to present
Lorenzo V. Tan	58	Director	June 20, 2018
Mario A. Oreta	73	Director	November 11, 2009 to present
Dennis A. Uy	45	Director	June 20, 2018
Francisco Ed. Lim	64	Director	June 20, 2018
Juan Edgardo M. Angara	47	Director	June 20, 2018
Margarito B. Teves	76	Independent Director	August 31, 2011 to present
Jose Ramon T. Villarin	60	Independent Director	June 20, 2018
Gilberto Eduardo Gerardo C. Teodoro, Jr.	55	Independent Director	June 20, 2018
Florentino M. Herrera III	68	Independent Director	June 20, 2018
Gregorio T. Yu	59	Independent Director	June 20, 2018
Jaime G. Bautista	63	Director	September 17, 2019 to present
Michael Angelo Patrick M. Asperin	61	Chief Operating Officer	May 31, 2016
Cristina B. Zapanta	56	Treasurer and Senior Vice President for Finance	As Treasurer: May 17, 2016 As SVP for Finance: June 1, 2017
Jason J. Alba	46	Corporate Secretary	June 14, 2017
Jonamel G. Israel-Orbe	47	Assistant Corporate Secretary	May 2016 up to present

Following are information on the educational attainment, business experience and credentials of each of the above-named Directors and Officers of the Corporation:

ROBERTO V. ONGPIN, *Chairman of the Board, Chief Executive Officer and Director*

Mr. Ongpin, Filipino, 83 years old, was elected Director and Chairman of the Board in November 11, 2009. He is also the Chairman of Atok-Big Wedge Company, Inc. (AB) and Alphaland Balesin Island Club, Inc. and former Director of San Miguel Corporation (SMC), PAL Holdings, Inc. (PAL) and Petron Corporation (PCOR). In Hong Kong, he was the Non-Executive Director of Shangri-La Asis and was the Deputy Chairman of the South China Morning Post, both listed in the Hong Kong Stock Exchange. He was also a Non-Executive Director of Forum Energy PLC (United Kingdom). Mr. Ongpin graduated cum laude in Business Administration from the Ateneo de Manila University, is a Certified Public Accountant, and has an MBA from Harvard Business School.

ANNA BETTINA ONGPIN, *President and Director*

Ms. Ongpin, Filipino, 55 years old was elected Director on March 19, 2014 and elected as President on May 31, 2016. She has more than 20 years of communications, marketing, project management, and operations experience in the management consulting and media fields. She has a bachelor's degree in Political Science from Wellesley College.

ERIC O. RECTO, *Vice Chairman and Director*

Mr. Recto, Filipino 56 years old was elected Vice Chairman and Director on June 20, 2018. He is presently the Vice Chairman and President of Atok-Big Wedge Co., Inc. He is also the Director of ISM Communications Corporation (ISM); the Chairman of Philippine Bank of Communications (PBCOM). Mr. Recto has a degree in Industrial engineering from the University of the Philippines as well as an MBA from the Johnson School, Cornell University.

LORENZO V. TAN, *Vice Chairman and Director*

Mr. Tan, Filipino, 58 years old, was elected Vice Chairman and Director on June 20, 2018. He is also a director of Atok-Big Wedge Company, Inc. He is a prominent banker who served as the President and Chief Executive Officer of Rizal Commercial Banking Corporation from 2007 to 2016; President of the Bankers Association of the Philippines from 2013 to 2016; and Chairman of the Philippine Dealing System Holdings Corp. until April 8, 2016. Mr. Tan is a member of the Board of Directors of Smart Communications, Inc.; an Independent Director of Philippine Realty and Holdings Corporation (RLT) since July 13, 2016; a director of EEI Corporation (EEI) since June 16, 2017. Mr. Tan is a Certified Public Accountant in Pennsylvania, USA and in the Philippines. Mr. Tan graduated from De La Salle University, with a Bachelor of Science degree in Accounting and Commerce and holds a Master of Management degree from the J.L. Kellogg Graduate School of Management in Evanston, Northwestern University.

DENNIS O. VALDES, *Director*

Mr. Valdes, Filipino, 58 years old, was elected Director on November 11, 2009. He is presently the President of WEB and a director of AB. His previous work experience includes 10 years with the Inquirer Group of Companies, as a Director of the newspaper, and he was also in charge of expanding their Internet, printing, and ink-making operations. Prior to that, he spent six years with The Nutra Sweet company developing its businesses in Asia. He is a certified public accountant, graduated magna cum laude in Business Administration and Accountancy from the University of the Philippines and has an MBA degree from the Kellogg School of Management, Northwestern University.

MARIO A. ORETA, *Director*

Mr. Oreta, Filipino, 73 years old, was elected Director on November 11, 2009. He served as President of the company from 2009 to 2016. He graduated with honors from the Ateneo De Manila University with a degree in Bachelor of Laws and immediately joined the law firm of Siguion Reyna, Montecillo

and Ongsiako after graduating from law school. He is the managing partner of The Law Firm of Mario A. Oreta and Partners.

DENNIS A. UY, *Director*

Mr. Uy, Filipino, 45 years old, was elected Director on June 20, 2018. He is also the Chairman and President of Udenna Corporation; Chief Executive Officer and President of Phoenix Petroleum Philippines, Inc. (PNX) since 2002, Comstech Integration Alliance, Inc., Chelsea Shipping Corporation, Global Synergy Trade and Distribution Corporation, Udenna Development Corporation, Value Leases Inc., and Udenna Foundation, Inc.; Chairman of 2Go Group, Inc. (2GO), Chelsea Logistics Holdings Corp. (CLC), Oilink Mindanao Distribution, Mindanao Media Dynamics, Le Don Printers and Bohemian Promotions and Training Center, Phoenix Petroleum Holdings, Inc. F2 Logistics, and Phoenix Philippines Foundation, Inc. He is also an Independent Director of Apex Mining Company, Inc. (APX) and a Director of First Oriental Packaging, Señorita Famrs, Aquamines Philippines, Bulbscor Minerals Corporation and Blucor Minerals Corporation. Mr. Uy is the Honorary Consul of Kazakhstan to the Philippines since November 2011. He holds a Bachelor of Science Degree in Business Management at the De La Salle University in Manila.

FRANCISCO ED. LIM, *Director*

Atty. Lim, Filipino, 64 years old, was elected Director on June 20, 2018. He is presently the Senior Partner and a member of the Executive and Special Committees of the Angara Abello Concepcion Regala & Cruz law Officers (ACCRALAW). He served as President and Chief Executive Office of the Philippine Stock Exchange, Inc. from September 16, 2004 to February 10, 2010. He is the incumbent President of the Shareholders' Association of the Philippines (SharePHIL). He is also a trustee of the CIBI Foundation, Inc. and the Judicial Reform Initiative, Inc. and a Fellow of the Institute of Corporate Directors. He is also a member of the American Bar Association, FINEX Research Foundation, Inc., International Insolvency Institute ("III"), Advisory committee for the Asian Principles of Business Restructuring Project of the III and the Asian Business Law Institute. Atty. Lim is a columnist of The Philippine Daily Inquirer and a law professor in the Ateneo de Manila University, San Beda Graduate School of Law and a professional lecturer and the Vice-Chair of the Commercial Law Department of the Philippine Judicial Academy. He is a director of several public companies, among which are the Union Bank of the Philippines, Energy Development Corporation, The Insular Life Assurance Co., Ltd., and Producers Savings Bank Corporation. He is also director of private corporations like the Financial Executives Institute of the Philippines and Camerton Holdings. He is a member of both the Philippine Bar and the New York State Bar.

JUAN EDGARDO M. ANGARA, *Director*

Mr. Angara, Filipino, 47 years old, was elected Director on June 20, 2018. He was elected to the Senate of the Philippines in 2013 where he placed 6th. Prior to joining the company, he worked as a trainee at the Metropolitan Bank and Trust Company in 1991, as news reporter for The Philippine Star in 1992. He served as an apprentice and member of the delegation in the Philippine Mission to the United Nations in New York in 1994. He worked as an associate attorney at the Angara Abello Concepcion Regala and Cruz (ACCRA) law firm from 2001 to 2003. He finished his law degree at the University of the Philippines College of Law, and earned his Master of Laws degree from Harvard Law School in Cambridge, Massachusetts, United States.

MARGARITO B. TEVES, *Independent Director*

Mr. Teves, Filipino, 76 years old, was elected Independent Director on August 31, 2011. He is also an Independent Director of AB, Alphaland Balesin Island Club, Inc. and The City Club at Alphaland Makati Place, Inc. Mr. Teves is currently the Chairman of Think Tank, Inc. and a Member of the Board of Advisers of Bank of Communications. He was formerly Secretary of the Department of Finance, Landbank President and CEO, and a Member of the House of Representative (representing the 3rd District of Negros Oriental). He obtained a Higher National Diploma (HND) in Business Studies, equivalent to a BSC in Business Economics, from the City of London College, and a Master

of Arts (MA) in Development Economics from the Center for Development Economics, William College, Massachusetts, USA. He was recently conferred an Honorary Degree, Doctor of Laws, by William College, and named Senior Adviser to the China-Asean Economic and Culture Research Center and Visiting Professor at the Guilin University of Electronic Technology in China.

JOSE RAMON T. VILLARIN, SJ, *Independent Director*

Mr. Villarin, Filipino, 60 years old, was elected Independent Director on June 20, 2018. He is presently the President of Ateneo de Manila University. He is also the Vice-Chairman of the Scientific Community/Academe of the National Resilience Council. He is also a member of the Board of Governors of Asian Institute of Management (AIM) and Chairman of the Board of Trustees of Synergia, Manila Observatory and Confucius Institute. Mr. Villarin is also a member of the Board of Trustees of various private institutions among which are the Philippine Institute of Pure and Applied Chemistry, Loyola School of Theology and Ateneo de Naga University. Mr. Villarin has a degree in Physics from the Ateneo de Manila University and graduated Magna Cum Laude, Class Valedictorian and Physics Department Award of the Ateneo de Manila University.

FLORENTINO M. HERRERA III, *Independent Director*

Mr. Herrera, Filipino, 68 years old, was elected Independent Director on June 20, 2018. He is presently the founding partner of Herrera Teehankee & Cabrera Law Offices. He is also a director of Philippine Airlines, Inc., Rizal Commercial Banking Corporation (RCBC) and Lufthansa Technik Philippines, Inc. Mr. Herrera is the Corporate Secretary of Macro Asia Corporation and Allianz PNB Life Insurance, Inc.

GREGORIO T. YU, *Independent Director*

Mr. Yu, Filipino, 59 years old was elected Independent Director on June 20, 2018. He is presently the Chairman of Auto Nation Group, Inc., Cats Automobile Corp. and American Motorcycles, Inc. He is also the Vice Chairman and Director of Sterling Bank of Asia and the Chairman and President of lucky Star Network Communications, Inc. Mr. Yu is also a director of various private institutions, among which are, PAL Holdings, Inc., Philippine Bank of Communications, Philippine Airlines, Inc., Philequity Management, Inc. and CATS Asian Cars, Inc. He is a board member of Ballet Philippines and Manila Symphony Orchestra and an independent director of IRemit, Inc. and E-Business Services, Inc.

GILBERTO EDUARDO GERARDO C. TEODORO, JR., *(Independent)*

Mr. Teodoro, Filipino, 55 years old, was elected Independent Director for the company on June 20, 2018. He is also a Director of Canlubang Sugar Estate from 1991 to present and Philippine Geothermal Production Co., Inc. from 2012 to present. He is currently the Chairman and President of Bolam Holdings, Inc., Branko Holdings, Inc. and WIPSIAE Holdings, Inc. He studied law at the University of the Philippines and finished at the top of his class. He obtained his Masters of Laws degree from Harvard Law School in Cambridge, Massachusetts, United States and passed the State Bar of New York.

OFFICERS

MICHAEL ANGELO PATRICK M. ASPERIN, *Chief Operating Officer*

Mr. Asperin, Filipino, 61 years old, was elected Chief Operating Officer on May 31, 2016. He is also the President and Chief Executive Officer of Alphaland Balesin Island Club, Inc. (ABICI) and handles various matters for the Group including the development of the Balesin Island Club project, as well as the operations of the aviation and security divisions of the Alphaland Group. Prior to joining ALPHA, he served as Senior Vice President for Security for WEB from 2009 to 2012, and as Enterprise Risk and Security Management Officer of PCOR from 2007-2009. He graduated from the Philippine Military Academy in 1981.

JASON J. ALBA, *Corporate Secretary*

Mr. Alba, Filipino, 46 years old, is also the Corporate Secretary and General Counsel of the Company and its subsidiaries. He obtained his Business Administration and Law degrees from the University of the Philippines and was admitted to the Philippine Bar in 2002. Prior to joining Alphaland, Mr. Alba was an Associate at Romulo Mabanta Buenaventura Sayoc & Delos Angeles, thereafter, he served as Vice President of Standard Chartered Bank and First Vice President of the Philippine Bank of Communications.

CRISTINA B. ZAPANTA, *Treasurer and Senior Vice President for Finance*

Ms. Zapanta, Filipino, 56 years old was appointed Treasurer on May 17, 2016 and Senior Vice President for Finance of the Company and its subsidiaries on June 1, 2017. She is also the Senior Vice President for Finance of Atok-Big Wedge Co., Inc. she has more than 30 years of solid experience in Finance, of which over half is in the real estate industry. She is a Certified Public Accountant.

JONAMEL G. ISRAEL-ORBE, *Assistant Corporate Secretary*

Ms. Israel-Orbe, Filipino, 47 years old, was appointed Assistant Corporate Secretary of the Company since May 2016 to present. She also serves as Corporate Information Officer, Deputy Compliance Officer and Assistant Corporate Secretary of Atok-Big Wedge Co., Inc., and Assistant Corporate Secretary of Alphaland Balesin Island Club, Inc., The City Club at Alphaland Makati Place, Inc. She is a member of the Philippine Bar.

Directorship in other Reporting Companies for the last five (5) years:

Mr. Roberto V. Ongpin is also a director and the Chairman of Atok-Big Wedge Co., Inc. (AB).

Mr. Mario A. Oreta is also a director of Atok-Big Wedge Co., Inc. (AB).

Mr. Dennis O. Valdes is also a Director of Atok-Big Wedge Co., Inc.

Mr. Eric O. Recto is also a director and the Chairman of PBC; director of DITO, director and the President of AB; and independent director of Aboitiz Power Corporation and Philippine H2O.

Atty. Lim is also director of Union Bank of the Philippines, Inc. (UBP) and Energy Development Corporation (EDC).

Mr. Herrera is also a director of Rizal Commercial Banking Corporation (RCBC).

Mr. Yu is also director of PAL Holdings, Inc. (PAL), and Philippine Bank of Communications (PBCOM), and an independent director of I-Remit, Inc. (I)

Shares of AB, DITO, PBC, WEB, UBP, EDC, RCBC, PAL and I are listed in the Philippine Stock Exchange, Inc. Shares of The City Club at Alphaland Makati Place, Inc. and Alphaland Balesin Island Club, Inc. are covered by Registration Statements filed with the SEC.

(2) Significant Employees

The Company considers its entire manpower complement (including that of its subsidiaries) as significant employees, expected to contribute positively to the Company's goals and objectives in line with the Company's mission, vision and objectives through the implementation of its core and foundational values.

(3) Family Relationships

Ms. Anna Bettina Ongpin is the daughter of Mr. Roberto V. Ongpin. Messrs. Dennis O. Valdes and Eric O. Recto are nephews of Mr. Ongpin. Other than the foregoing, the persons nominated or chosen by the Company to become Directors or Executive Officers are not related to each other up to the fourth civil degree either by consanguinity or affinity.

(4) Involvement in Certain Legal Proceedings

1. *Atty. Zenaida Ongkiko-Acorda, as attorney in fact of Atty. Mario E. Ongkiko and in behalf of Philex Mining Corporation vs. Roberto V. Ongpin, et al., SEC Case No. 11-166, Branch 158, Regional Trial Court of Pasig.* This involves a purported “derivative suit” filed on behalf of Philex against RVO and other companies beneficially owned by RVO in connection with Section 23.2 of the Securities Regulation Code and in order to recover the “short-swing profits” which were allegedly realized from supposed transactions involving Philex shares. A related Petition for Review on Certiorari is also pending before the Supreme Court in G.R. No. 204166, entitled *Roberto V. Ongpin, et al. vs. Acorda, et al.* There are also two Petitions for Certiorari which are related to this case pending with the Court of Appeals docketed as CA-G.R. SP No. 152806 (entitled *Atty. Zenaida Ongkiko-Acorda, as Attorney-in-Fact of Atty. Mario E. Ongkiko, and in behalf of Philex Mining Corporation vs. Judge Elma M. Rafallo-Lingan, in her capacity as Presiding Judge of the Regional Trial Court, Branch 159, Pasig City, et al.*) and CA-G.R. SP No. 159604 (entitled *Roberto V. Ongpin, et al. vs. Honorable Elma M. Rafallo-Lingan, in her capacity as the presiding Judge of Branch 159 of the Regional Trial Court of Pasig City, et al.*).
2. *People vs. Roberto V. Ongpin, et al., S.B.-13-CRM-0105 and S.B.-13-CRIM-0106, Sandiganbayan (Third Division).* This case was filed against RVO and others in connection with two loans obtained by Deltaventure Resources, Inc. (DVRI) from DBP. The Informations in both cases for violations of Section 3 € of R.A. No. 3019 were filed on 10 January 2013. In a Resolution promulgated on 28 May 2014, the Third Division of the Sandiganbayan granted the Accused’s Motions to Quash and DISMISSED Criminal Case Nos. S.B.-13-CRM-0105 and S.B.-13-CRIM-0106. A related Petition for Review on Certiorari is pending before the Supreme Court in G.R. Nos. 217417 and 21791, entitled “*People of the Philippines vs. Reynaldo G. David, et al.*”
3. *In the matter of: Roberto V. Ongpin, Mario A. Oreta, Margarito B. Teves, et al., SEC-EIPD Case No. 14-3039.* This concerns the findings of the Enforcement and Investor Protection Department on the liability of respondents for violation of Section 26(3) of the Securities Regulation Code (SRC) in connection with the issuance of shares of Alphaland Corporation in a capital call, stock rights offering and property for share swap which were approved and ratified by respondents as officers and members of the Board of Alphaland Corporation. On August 24, 2015, Respondents elevated the matter through notice of appeal to the SEC En Banc, where the matter is presently pending resolution. The appeal is docketed as SEC En Banc Case No. 08-15-384, entitled “*Roberto V. Ongpin, Mario A. Oreta, Margarito B. Teves, et al. vs. Enforcement and Investor Protection Department*”.
4. *In the Matter of: Philex Mining Corporation, SEC-EIPD Case No. 14-3044.* This concerns the findings of the Enforcement and Investor Protection Department against Mr. Roberto V. Ongpin for allegedly committing Insider Trading when he purchased Philex shares at Php19.25 to Php 19.50 per share from the open market in the morning of 02 December 2009 without disclosing to the public that the group of Mr. Manuel V. Pangilinan had agreed to purchase the said shares from him at P21.00 per share. RVO appealed the case to the SEC En Banc but the latter affirmed the findings of the EIPD. Mr. Ongpin elevated the case to the Court of Appeals by way of a Petition for Review docketed as CA-G.R. SP. No. 146704, entitled “*Roberto V. Ongpin v. Enforcement and Investor Protection Department*”. On December 1, 2017, the Court of Appeals issued a decision in favor of RVO, reversing the

SEC and finding that RVO did not commit insider trading. EIPD filed a Motion for Reconsideration, which was denied by the Court of Appeals on July 2, 2018. EIPD elevated the case to the Supreme Court by way of a Petition for Review, which petition is presently pending resolution.

Other than as stated above, the Company is not aware of any other legal proceeding including without limitation any (a) bankruptcy petition, (b) conviction by final judgment, (c) order, judgment or decree, or (d) violation of a securities or commodities law, during the last five (5) years up to the date of the filing of this Statement, to which any of its Directors and Executive Officers is a party and which is material to an evaluation of their ability or integrity to act as such.

Item 10. Executive Compensation

The aggregate compensation (including bonuses) paid or accrued during the last two (2) completed fiscal years and the ensuing year to the Company's Chief Executive Officers and the key officers named below, as a group, are:

Name and Principal Position	Year	Salary (PhP)	Bonus (PhP)	Other Compensation	Aggregate Compensation (PhP)
CEO and Top 4 Highest Paid Executives	<u>2018</u>	<u>126,315,086.21</u>	<u>0</u>	<u>0</u>	<u>126,315,086.21</u>
1. Roberto V. Ongpin, Chairman & CEO					
2. Anna Bettina Ongpin, President					
3. Michael A. P. M. Asperin, EVP					
4. Enrico Sison, SVP					
5. Yu, Christene, SVP					
All Directors and Officers as a Group Unnamed	<u>2018</u>	<u>127,515,086.21</u>			<u>127,515,086.21</u>
CEO and Top 4 Highest Paid Executives	<u>2019</u>	<u>127,400,000.00*</u>	<u>0</u>	<u>0</u>	<u>127,400,000.00*</u>
1. Roberto V. Ongpin, Chairman & CEO					
2. Anna Bettina Ongpin, President					
3. Michael A. P. M. Asperin, EVP					
4. Enrico Sison, SVP					

5. Mark Biddle, Executive Chef					
All Directors and Officers as a Group Unnamed	2019	<u>129,800,000.00</u>	<u>0</u>	<u>0</u>	<u>129,800,000.00</u>
CEO and Top 4 Highest Paid Executives	2020	<u>135,500,000.00*</u>	<u>0</u>	<u>0</u>	<u>135,500,000.00*</u>
1. Roberto V. Ongpin, Chairman & CEO					
2. Anna Bettina Ongpin, Vice-Chairman					
3. Paul Dennis O. Valdes, President					
4. Michael Angelo Patrick M. Asperin, EVP/COO					
5. Enrico M. Sison, SVP					
All Directors and Officers as a Group Unnamed	2020	<u>137,900,000.00</u>	<u>0</u>	<u>0</u>	<u>137,900,00.00*</u>

**Estimated aggregate compensation for the whole year 2020*

The above executive officers, aside from their compensation and bonus, are entitled to reimburse certain expenses which they incur as part of the ordinary course of business (i.e. gasoline, representation and travel expenses). There are no special terms or compensatory plans or arrangements with respect to the resignation, termination of employment of such executive officers between the Company and any of its executive officers. Likewise, there are no warrants or options held by the Company's officers or directors either singly or collectively.

The non-executive members of the Board of Directors do not receive any direct compensation from the Company. None of these directors, in their personal capacity, has been contracted and compensated by the Company for services other than those provided as a director. The members of the Board of Directors, upon attendance at each Board Meeting, is authorized under the Company's Articles of Incorporation to receive a per diem of ₱40,000.00.

The Company is being managed by the management team of its wholly-owned subsidiary, ASTI.

Item 11. Security Ownership of Certain Record and Beneficial Owners – as of December 31, 2018

(1) Security Ownership of Certain Record and Beneficial Owners

Other than those enumerated below, the Company does not know any person (including any group) to be directly or indirectly the record and/or beneficial owner of more than 5% of any class of the Company's voting securities:

<i>Title of Class</i>	<i>Name and Address of Record Owner and relationship with Issuer</i>	<i>Name of Beneficial Owner and relationship with Record Owner</i>	<i>Citizenship</i>	<i>No. of Shares</i>	<i>% Held</i>
Common	Alphaland Development, Inc. (now Alphaland Southgate Tower, Inc.) (Alphaland Makati Place, 7232 Ayala Avenue, Bel-Air, Makati City) Stockholder	Alphaland Corporation – Controlling Stockholder	Filipino	13,792,109,780	48.55%
Common	RVO Capital Ventures Corporation Alphaland Makati Place, 7232 Ayala Ave. cor. Malugay St., Makati City Stockholder	Roberto V. Ongpin Beneficial Owner	Filipino	8,426,567,460	29.66%
Common	Boerstar Corporation Alphaland Makati Place, 7232 Ayala Ave. cor. Malugay St. Makati City Stockholder	Roberto V. Ongpin Beneficial Owner	Filipino	1,677,884,300	5.91%

(2) Security Ownership of Management

Other than those enumerated below, the Company's Directors and executive Officers do not beneficially own any of the Company's securities:

<i>Name</i>	<i>Direct</i>	<i>Indirect</i>	<i>% to Total Outstanding Shares</i>
Roberto V. Ongpin	10	10,385,078,120	36.56%%
Anna Bettina Ongpin	100	0	nil
Eric O. Recto	10	0	nil
Dennis O. Valdes	100	0	nil
Mario A. Oreta	10	16,400,000	0.58%
Lorenzo V. Tan	10	0	nil
Margarito B. Teves	100	0	nil
Juan Edgardo M. Angara	10	0	nil
Jaime G. Bautista	10	0	nil
Florentino M. Herrera III	10	0	nil
Francisco Ed. Lim	10	0	nil
Gilberto Eduardo Gerardo C. Tedoro, Jr.	10	0	nil
Dennis A. Uy	10	0	nil
Jose Ramon T. Villarin	10	0	nil
Gregorio T. Yu	10	0	nil

Voting Trust Holders of 5% or More

The Company is unaware of any person holding more than 5% of the Company's securities under a voting trust or similar arrangement. There are no voting trust agreements or any other similar agreement that may result in a change in control of the Company of which the Company has any knowledge.

(3) Changes in Control

No change in control of the Company has occurred since the beginning of its last fiscal year.

Item 12. Certain Relationships and Related Transactions

The Company is not aware of any transaction in the last two (2) years, or proposed transaction to which the registrant is a party, in which the following persons have direct or indirect material interest, that were out of the ordinary course of business:

1. any director or executive officer
2. any nominee for election as director
3. any security holder named above
4. any member of the immediate family of the above-named persons

Except as disclosed in the Company's notes to financial statements contained in the Company's audited financial statements, there has been no material transaction to which the Company was or is to be a party in which any of the incumbent directors or nominee director or executive officer of the Company or owners of more than ten percent of the Company's voting shares has or is to have a direct or indirect material interest. In the ordinary course of business, the Company has transactions with other companies in which some of such persons may have an interest. Such transactions are negotiated on an arm's length basis comparable or better than that which can be provided by independent third parties.

The transactions with related parties/affiliates are carried out under commercial terms and conditions. Pricing for the sales of products are market driven. For purchases and other services, the Company's practice is to solicit competitive quotes from third parties. Transactions from any related party are evaluated on arm's length commercial terms and subject to bidding against third party suppliers. Purchases and services are usually awarded on the basis of lowest cost provider. The Company also receives/grants cash advances and other financial support from/to affiliated companies and stockholders. These cash advances to and from affiliates bear interest rate based on current bank rates and with no definite repayment period.

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

PART IV. - CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Board of Directors and Management of the Company recognize that good corporate governance is key to achieving the Company's objective of maximizing shareholder value. The institution of the Code on Corporate Governance seeks to provide the process and structure by which the business and

affairs of the Company are directed and managed, in order to enhance long-term shareholder value through the enhancement of corporate performance and accountability.

Compliance with the Code of Corporate Governance is ensured by the Corporate Compliance Officer in coordination with the Chairman and President of the Company. Regular meetings are made between Management and the Board of Directors, to review and evaluate the Company's performance and address key policy matters. The Board is provided with timely and complete information for each meeting. Each director has direct access to the advice and services of management and the corporate secretary, and in appropriate circumstances, seek independent professional advice concerning the Company's affairs.

All directors are required to submit themselves for re-election every year. In consideration for their re-election, the nomination committee reviews and presents attendance and participation in meetings of the Company.

All directors are briefed by Management on the Company's business operations as well as a regular tour of the Company's manufacturing operations.

The audit committee first reviews the Company's audited financials, who then recommends approval from the board of directors before they are presented to the stockholders of the Company. It is also the audit committee which ensures independence and objectivity of the external auditors.

The Company is continually seeking measures of improving its corporate governance to further enhance corporate performance and accountability. The Directors and Management have been encouraged to regularly attend corporate governance seminars and corporate governance consultants on methods by which it can enhance its corporate performance and accountability.

No deviation from the Company's Manual Code of Corporate Governance has been noted.

PART V. - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Current Reports under Section 17 of the Securities Regulation Code

(a) Exhibits

See Accompanying Index to Financial Statements and Supplementary Schedules.

(b) Reports on SEC Form 17-C

During the period covered by this report, the following material events and changes in the Company were reported by the Company on SEC Form 17-C:

18 February 2019

Notice of Annual Stockholders' Meeting.

22 April 2019

Submission of List of Stockholders who are entitled to notice and to vote at the annual stockholder's meeting to be held on May 7, 2019.

7 May 2019

Result of the Annual Stockholders' Meeting

17 September 2019

Notice of the resignation of Sen. Francis Joseph G. Escudero and appointment of Mr. Jaime J. Bautista as director of the Corporation to fill in the vacancy created by the resignation of Mr. Escudero.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the Issuer by the undersigned, thereunto duly authorized, in the City of Makati on June 29, 2020.



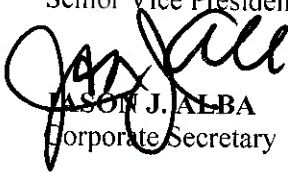
DENNIS O. VALDES

President



CRISTINA B. ZAPANTA

Senior Vice President for Finance



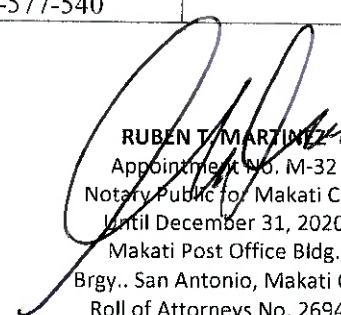
JASON J. ALBA

Corporate Secretary

SUBSCRIBED AND SWORN to before me on **JUL 01 2020** at Makati City, affiants exhibited to me their Identification Documents/Community Tax Certificate Nos. as follows

<u>Name</u>	<u>I.D.</u>	<u>Date & Placed Issued</u>
Dennis O. Valdes	TIN 104-808-056	
Cristina B. Zapanta	TIN 102-116-723	
Jason J. Alba	TIN 127-577-540	

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Book No. 80
Series of 9070



RUBEN T. MARTINEZ
Appointment No. M-32
Notary Public for Makati City
Until December 31, 2020
Makati Post Office Bldg.
Brgy.. San Antonio, Makati City
Roll of Attorneys No. 26947
IBP No. 093489 / 01.06.2020 / Pasay City
PTR No. 8117014 / 01.06.2020 / Makati City
TIN No. 172-528-629

ALPHALAND CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E

Schedule A. Financial Assets

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Valued based on market quotation at end of reporting period (iii)	Income received and accrued
The Group has no FVPL as of December 31, 2019.				

- (i) Each issue shall be stated separately, except that reasonable grouping, without enumeration may be made of (a) securities issued or guaranteed by the Philippine Government or its agencies and (b) securities issued by others for which the amounts in the aggregate are not more than two percent of total assets.
- (ii) State the basis of determining the amounts shown in the column. This column shall be totaled to correspond to the respective balance sheet caption or captions
- (iii) This column may be omitted if all amounts that would be shown are the same as those in the immediately preceding column.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and Designation of debtor (i)	Balance at beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Non Current	Balance at end of period
The Group has no receivables from directors, officers, employees, related parties and principal stockholders that did not arise from ordinary course of business.							

- (i) Show separately accounts receivables and notes receivable. In case of notes receivable, indicate pertinent information such as the due date, interest rate, terms of repayment and collateral, if any.
- (ii) If collection was other than in cash, explain.
- (iii) Give reasons for write off.

Schedule C. Amounts Receivable from Related Companies which are eliminated during the consolidation of financial statements

	Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected (i)	Amounts written off (ii)	Current	Non Current	Balance at end of period
1.	Alphaland Corporation	-	2,685,534	-	-	2,685,534	-	2,685,534
2.	Alphaland Southgate Tower Inc.	335,355,971	35,899,957	-	-	371,255,929	-	371,255,929
3.	Alphaland Balesin Island Resort Corporation	4,950,447,009	-	(79,994,951)	-	4,870,452,058	-	4,870,452,058
4.	Alphaland Reclamation Corp.	4,849,328	38,930	-	-	4,888,258	-	4,888,258
5.	Alphaland Makati Place Inc.	6,432,432,643	34,572,927	-	-	6,467,005,570	-	6,467,005,570
6.	Alphaland Aviation, Inc.	1,267,350,080	-	(190,293,452)	-	1,077,056,628	-	1,077,056,628
7.	Alphaland Aviation Pampanga, Inc.	158,234,215	40,940,572	-	-	199,174,787	-	199,174,787
8.	258 Blue Holdings, Inc.	26,197,794	26,378	-	-	26,224,172	-	26,224,172
9.	Choice Insurance Brokerage, Inc.	530,389	15,497,636	-	-	16,028,025	-	16,028,025
10.	Alphaland Baguio Mountain Log Homes, Inc.	1,523,465,716	66,722,108	-	-	1,590,187,825	-	1,590,187,825
11.	Alphaland Balesin International Gateway, Inc.	158,543,043	26,399,067	-	-	184,942,110	-	184,942,110
12.	Alphaland Southgate Restaurants, Inc.	12,761,688	-	(114,925)	-	12,646,763	-	12,646,763
13.	Alphaland International, Inc.	622,274	190,778	-	-	813,053	-	813,053
14.	Alphaland Wellness Center, Inc.	114,342,235	14,154,337	-	-	128,496,572	-	128,496,572
15.	Aegle Drugstore, Inc.	4,125,568	725,842	-	-	4,851,410	-	4,851,410
16.	Alphaforce Security Agency, Inc.	1,061,588	8,858,533	-	-	9,920,121	-	9,920,121
17.	The Alpha Suites, Inc.	19,119,326	46,692,703	-	-	65,812,028	-	65,812,028
18.	Top of the Alpha, Inc.	25,631,994	3,809,998	-	-	29,441,992	-	29,441,992
19.	Red Mountain Holdings, Inc.	1,600	-	(133)	-	1,467	-	1,467
20.	Lodgepole Holdings, Inc.	1,600	15,438	-	-	17,038	-	17,038
21.	Mt. Baguio Holding Estates, Inc.	-	22,081	-	-	22,081	-	22,081
22.	Pinecrest Holdings, Inc.	-	14,660	-	-	14,660	-	14,660
23.	Digital Excel Developments Limited	412,602	-	-	-	412,602	-	412,602
	TOTAL	15,035,486,665	297,267,479	(270,403,461)	-	15,062,350,683	-	15,062,350,683

(10,958.6

(i) If collection was other than in cash, explain.

(ii) Give reasons for write off.

Schedule D. Intangible Assets- Other Assets

	Description (i)	Beginning balance	Additions at cost (ii)	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions) (iii)	Ending balance
1	Software	3,747,079	3,458,417	2,041,014	-	-	5,164,482
2	Goodwill	25,229,708	-	23,229,684	-	-	2,000,024
	TOTAL	24,211,433	3,458,417	25,270,698	-	-	7,164,506

(i) The information required shall be grouped into (a) intangible shown under the caption intangible assets and (b) deferrals shown under the caption Other Assets in the related balance sheet. Show by major classifications.

(ii) For each change representing anything other than an acquisition, clearly state the nature of the change and the other accounts affected. Describe cost of additions representing other than cash expenditures.

(iii) If provision for amortization of intangible assets is credited in the books directly to the intangible asset account, the amounts shall be stated with explanations, including the accounts charged. Clearly state the nature of deductions if these represent anything other than regular amortization.

Schedule E. Long Term Debt

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii)	Amount shown under caption "Long-Term Debt" in related balance sheet (iii)	Details
	The Group has no outstanding long term debt as of December 31, 2019.			
TOTAL	-	-	-	

(i) Include in this column each type of obligation authorized.

(ii) This column is to be totaled to correspond to the related balance sheet caption.

(iii) Include in this column details as to interest rates, amounts or number of periodic installements and maturity dates.

Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party (i)	Balance at beginning of period	Balance at end of period (ii)
The Group has no long-term loans/ indebtedness to related parties.		
		-
		-

(i) The related parties named shall be grouped as in Schedule D. The information called for shall be stated separately for any persons whose investments were shown separately in such related schedule.

(ii) For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10 percent of the related balance at either the beginning or end of the period.

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (i)	Amount owned by person for which statement is filed	Nature of guarantee (ii)
The Group has no guarantees of securities of other issuing entities.				
		-		
		-		

(i) Indicate in a note any significant changes since the date of the last balance sheet filed. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.

(ii) There must be a brief statement of the nature of the guarantee, such as "Guarantee of principal and interest", "Guarantee of Interest", or "Guarantee of dividends". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

Schedule H. Capital Stock

	<i>Title of issue (i)</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding shown under related balance sheet caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Number of shares held by related parties (ii)</i>	<i>Directors, officers and employees</i>	<i>Others (iii)</i>
1	Common Shares	50,000,000,000	28,407,499,420	-	13,792,109,780	10,735,548,635 *	-
	TOTAL	50,000,000,000	28,407,499,420	-	13,792,109,780	10,735,548,635	-

(i) Include in this column each type of issue authorized.

(ii) Related parties referred to include persons for which separate financial statements are filed and those included in consolidated financial statements, other than the issuer of the particular security.

(iii) Indicate in a note any significant changes since the date of the last balance sheet filed.

* Out of 10,735,548,635 shares beneficially owned by directors, officers and employees, only 4,120 is directly owned by the directors, officers and employees.

ALPHALAND CORPORATION AND SUBSIDIARIES
PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
DECEMBER 31, 2019
(Amounts in Thousands)

	Amount
Deficit at beginning of year	(P397,266,022)
Net income during the year	4,751,235,547
Treasury shares	(1,213,526)
Retained earnings at end of year*	P4,352,755,999

**Under the Security and Exchange Commission Memorandum Circular 11-2008, paid-in capital to be considered in the computation of retained earnings available for dividend declaration includes the outstanding capital stock and additional paid-in capital. For the Company's retained earnings available for dividend declaration, the Company plans to appropriate P2.0 billion for corporate projects and programs approved by the Executive Committee of the Board of Directors.*

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

ALPHALAND CORPORATION AND SUBSIDIARIES SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS DECEMBER 31, 2019 and 2018 (Amounts in Thousands)

Ratio	Formula	2019	2018
Current Ratio	Total current assets	P11,321,120	P11,338,369
	Divided by: Total current liabilities	6,558,279	5,435,817
	Current Ratio	1.73:1	2.09:1
Acid Test Ratio	Total current assets	P11,321,120	P11,338,369
	Less: Other current assets	1,337,541	2,189,454
	Quick assets	9,983,579	9,148,915
	Divide by: Total current liabilities	6,558,279	5,435,817
	Acid Test Ratio	1.52:1	1.68:1
Solvency Ratio	Net income after depreciation and amortization	P7,833,088	P4,728,303
	Add: Depreciation and amortization	247,471	124,771
	Net loss before depreciation and amortization	8,080,559	4,853,074
	Divided by: Total liabilities	28,538,915	29,292,562
	Solvency Ratio	0.28:1	0.17:1
Debt-to-Equity Ratio	Total liabilities	P28,538,915	P29,292,562
	Divided by: Total equity	80,830,328	70,070,138
	Debt-to-Equity Ratio	0.35:1	0.42:1
Asset-to-Equity Ratio	Total assets	P109,369,243	P99,362,700
	Divided by: Total equity	80,830,328	70,070,138
	Asset-to-Equity Ratio	1.35:1	1.42:1
Return on Equity	Net income	P7,833,088	P4,728,303
	Divided by: Total equity	80,830,328	70,070,138
	Return on Equity	0.10	0.07
Return on Assets	Net income	P7,833,088	P4,728,303
	Divided by: Average total assets	104,365,972	91,488,838
	Return on Assets	(0.08)	(0.05)
Net Profit Margin	Net income	P7,833,088	P4,728,303
	Divided by: Revenue	2,576,336	2,877,819
	Net Profit Margin	3.04	1.64