NOTICE OF THE ANNUAL MEETING OF STOCKHOLDERS

Please take notice that the Annual Meeting of Stockholders of ALPHALAND CORPORATION will be held on Tuesday, May 26, 2022 at 4 o'clock in the afternoon. In light of the COVID-19 pandemic and to ensure the safety and welfare of the Company's stockholders and other attendees, the meeting will be conducted virtually via secure online meeting platform to discuss the following agenda:

1. Call to order
2. Certification of Notice and Quorum
3. Review and approval of the minutes of the previous annual stockholders meeting
4. Annual report of Management and approval of the audited financial statements for the year ended December 31, 2021
5. Ratification of all acts and resolutions adopted by the Board of Directors, Executive Committee and other committees of the Board of Directors, as well as Management since the last annual stockholders meeting held on June 8, 2021
6. Election of members of the Board of Directors (including Independent Directors)
7. Appointment of External Auditor
8. Other matters

Only stockholders of record as of May 11, 2022 are entitled to notice of, and to vote at, the Annual Meeting of Stockholders. Stockholders who intend to participate or be represented in the virtual meeting shall first submit the following via email to ASM@alphaland.com.ph not later than May 11, 2022, subject to validation procedures, to gain access to the secure online meeting link.

Once validated, a confirmation along with access credentials to the secure online meeting link shall be sent to the stockholder's email as provided.

WE ARE NOT SOLICITING YOUR PROXY.

Copies of the following documents will be posted at the Company's website (alphaland.com.ph): (i) Minutes of the Annual Meeting of Stockholders held on June 8, 2021; (ii) Information Statement with Management Report; (iii) Consolidated Audited Financial Statements for the year ended December 31, 2021.

April 7, 2022.

JASON J. ALBA
Corporate Secretary

For ASM-related queries, please send an email to ASM@alphaland.com.ph.

For account updating/validation concerns, please get in touch with the Company's Stock Transfer Agent, AB Stock Transfers Corporation (Attention: Haydee D. Gallarde), via PLDT line +63.2. 5337.2031 local extension 169; via mobile number +63.917.5448417; or via email to hdgallarde@atok.com.ph.

AGENDA
Explanation

1. Call to order
The Chairman will formally open the meeting at approximately 5 o'clock in the afternoon.

2. Certification of Notice and Quorum
The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

3. Review and approval of the minutes of the previous annual stockholders meeting
The minutes of the meeting held on June 8, 2021 is available at the Company's website: alphaland.com.ph. Stockholders will be asked to approve the proposed resolution below:

> *"RESOLVED, that the Stockholders of the Corporation hereby approve the Minutes of the Annual Stockholders' Meeting held on June 8, 2021."*

4. Annual report of Management and approval of the audited financial statements for the year ended December 31, 2021
The Company's Annual Report, Audited Financial Statements and Information Statement will be posted at the Company's website: alphaland.com.ph. Stockholders will be asked to approve the proposed resolution below:

> *"RESOLVED, that the Company's Audited Financial Statements for the year ended December 31, 2021 be, as the same are hereby, approved."*

5. Ratification of all acts and resolutions adopted by the Board of Directors, Executive Committee and other committees of the Board of Directors, as well as Management since the last annual stockholders meeting held on June 8, 2021

> *"RESOLVED, that all acts, resolutions, and deeds of the Company's Board of Directors and its Committees, as well as Management from the Annual Stockholders' Meeting held on June 8, 2021 up to the date of this meeting be as they hereby are, confirmed, ratified and approved."*

6. Election of members of the Board of Directors (including Independent Directors)
The profiles of the nominees are included in the Information Statement. Stockholders will be given the opportunity to elect the directors who will serve for the term 2022-2023.

7. Appointment of External Auditor
Endorsement to the stockholders the election of the external auditor who will conduct an independent verification of the Company's financial statements and provides an objective assurance on the accuracy of its financial statements for the ensuing year. Below is the proposed resolution for approval:

> *"RESOLVED, that Reyes Tacandong & Co., Certified Public Accountants, be, as they hereby are, re-appointed as external auditors of the Company for the year 2022-2023."*

8. Other matters
The Chairman will open the floor for comments and questions by the stockholders. Stockholders may raise other matters or issues that may be properly taken up at the meeting.

PROCEDURES FOR THE ANNUAL STOCKHOLDERS' MEETING

In light of the ongoing community quarantine imposed in several areas of the country and in consideration of health and safety concerns of everyone involved, the Executive Committee of the Board of Directors of the Company has approved and authorized stockholders to participate in the meeting *via* remote communication and to exercise their right to vote *in absentia* through electronic voting *via* the online web address provided.

ELECTRONIC VOTING *IN ABSENTIA*

1. Stockholders on record of the Company as of May 11, 2022 may exercise their right to vote on the agenda items in the 2022 Annual Stockholders' Meeting (ASM) through electronic voting *in absentia*. To be included in the determination of quorum, stockholders who intend to participate in the meeting by remote communication and vote *in absentia* must notify the Company of their intention to participate and vote remotely by sending an e-mail addressed to the Company's Corporate Secretary at ASM@alphaland.com.ph and submit the following **not later than May 11, 2022** (only registered stockholders as of May 11, 2022 shall be allowed to electronically vote *in absentia* or participate in the ASM by remote communication):

• Individual Stockholder	a) A legible copy of a valid identification card with photograph and signature of the stockholder and the proxy, that is issued by the government b) Stock certificate number/s or a legible copy of the stock certificate c) If appointing a proxy, a legible copy of the proxy form duly signed by the stockholder (need not be notarized) d) E-mail-address, mailing address, and telephone/mobile telephone number of the stockholder or proxy
• Multiple Stockholders or Joint Owners	a) Proof of authority of stockholder voting the shares signed by the other registered stockholders b) A legible copy of a valid identification card with photograph and signature of the representative stockholder, that is issued by the government c) Stock certificate number/s or a legible copy of the stock certificate d) E-mail-address, mailing address, and telephone/mobile telephone number of the representative
• Corporate Stockholders	a) Corporate Secretary's Certification of the Board resolution appointing and authorizing the proxy to participate in the meeting b) A legible copy of a valid identification card with photograph and signature of the proxy c) Stock certificate number/s or a legible copy of the stock certificate d) E-mail-address, mailing address, and telephone/mobile telephone number of the proxy

The Office of the Corporate Secretary of the Company shall forward the stockholder's e-mail and its attachments to the Company's Stock Transfer Agent, AB Stock Transfers Corporation, for validation. The Company and the Stock Transfer Agent may require additional data or documents to ensure the identity and right to vote of the stockholder.

2. Once validated and verified, the stockholder, or the proxy, will be sent a confirmation correspondence and given access to the electronic link where he/she can register for the virtual meeting and cast his/her votes electronically. Deadline to vote in absentia through the electronic

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the Appropriate box
   [ ] Preliminary Information Statement
   [/] Definitive Information Statement

2. Name of Registrant as specified in its charter **ALPHALAND CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization **Philippines**

4. SEC Identification Number **183835**

5. BIR Tax Identification Number **001-746-612**

6. Address of Principal Office **Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, 1209 Makati City , Philippines**

7. Registrant's telephone number, including area code **+63 2 53372031**

8. Date, time and place of meeting of security holders
   Date **May 26, 2022**
   Time **4:00 pm**
   Place **Via remote communication**

9. Approximate date on which the Information Statement is first to be sent or given to security holders **May 5, 2022**

10. Securities registered pursuant to Section 8 and 12 of the Code or Sections 4 and 8 of the RSA (information of the number of shares and amount of debt is applicable only to corporate registrants)

Number of Common Stock Outstanding	Amount of Debt Outstanding As Of December 31, 2021
27,008,993,720	**Nil**

11. Are any or all of the registrant's securities listed on a Stock Exchange?
    Yes No ✓
12. If yes, disclose the name of such Stock Exchange and the class of securities listed therein: n/a

We are not asking you for a proxy and you are requested not to send us a proxy.

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Stockholders

Date : May 26, 2022
Time : 4:00 pm
Place : via remote communication

Mailing Address of the Company

The complete mailing address of Alphaland Corporation (hereinafter, "ALPHA", the "Company" or the "Corporation") is:

ALPHALAND CORPORATION
Alphaland Makati Place
7232 Ayala Avenue corner Malugay Street
1209 Bel-Air, Makati City
Philippines

Record Date

The record date for the purpose of determining the stockholders entitled to notice of, and to vote at, the Annual Meeting of the Stockholders is May 11, 2022 (the "Record Date").

Approximate Date of First Release of Information Statement

The approximate date on which this Information Statement will be first sent out to the stockholders of the Company is on May 5, 2022.

Item 2. Dissenter's Right of Appraisal

There are no matters or proposed actions as specified in the attached Notice of Annual Meeting that may give rise to a possible exercise by shareholders of their appraisal rights or similar rights as provided in Title X of the Revised Corporation Code of the Philippines.

Pursuant to Section 80 of the Revised Corporation Code, shareholders of the Company may exercise their right of appraisal in the following instances:

(i) in case amendment of the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
(ii) sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets, as provided in the Revised Corporation Code;
(iii) merger or consolidation;
(iv) extension or limitation of corporate term;
(v) investment of corporate funds for any purpose other than the primary purpose of the corporation;

Each share of stock is entitled to one vote during stockholders' meetings. However, at all elections of directors, every stockholder entitled to vote may vote such number of stocks for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit.

The election of directors may only be held at a meeting convened for that purpose at which stockholders representing a majority of the outstanding capital stock are present in person or by proxy. However, any vacancy in the board, other than by removal or expiration of term, may be filled by the majority of the remaining directors if still constituting a quorum.

Pursuant to Section 81 of the Revised Corporation Code, a shareholder who shall have voted against any proposed action may exercise his appraisal right by making a written demand on the Company within thirty (30) days after the date of the shareholders' meeting where the vote was taken. Failure to make the demand within the prescribed period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the Company shall pay the dissenting stockholder upon surrender of the stock certificate/s representing his shareholdings in the Company based on the fair value thereof as of the day prior to the date of the shareholders' meeting where the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate actions, provided that no payment shall be made to the dissenting shareholder unless the Company has unrestricted retained earnings to cause such payment.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the shareholder, another by the Corporation and the third by the two thus chosen. The findings of the majority of the appraiser shall be final and their award shall be paid by the Company within thirty (30) days after such award is made.

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

There is no matter to be acted upon in which any director or executive officer is involved or had a direct, indirect or substantial interest (except the election of directors).

No director has informed the registrant, in writing or otherwise, that he intends to oppose any action to be taken by the registrant at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) **Total Number of Shares Outstanding as of March 31, 2022**: 27,008,993,720 (exclusive of 27,008,993 in treasury)[1]

Number of Votes per Share: One (1) vote per share.

(b) **Record Date**: All stockholders of record as of the close of business on May 11, 2022 are entitled to notice of, and to vote at, the Annual Meeting.

Security Ownership of Certain Record and Beneficial Owners – as of March 31, 2022

There are no delinquent stocks and following is the direct and indirect record of beneficial owners of more than five percent (5%) of common shares of the Company:

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

[1] On December 10, 2018, the Securities and Exchange Commission approved the Amended Articles of Incorporation of the Company, amending Article VII thereof by reducing the par value from PhP1 per share to PhP0.10 per share.

	Alphaland Makati Place, 7232 Ayala Ave. cor. Malugay St., Makati City				

Except as stated above, the BOD and Management of the Company have no knowledge of any person who, as at March 31, 2022, was indirectly or directly the beneficial owner of more than five percent (5%) of the Company's outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than five percent of the outstanding shares of common stock. There are no persons holding more than 5% of the Company's common stocks that are under a voting trust or similar agreement.

Security Ownership of Management

The following are the number of shares of common stock owned of record and beneficially by the directors and executive officers of the Company and the percentage of shareholdings of each, as at March 31, 2022:

Title of Class	*Name of Beneficial Owner*	*Amount and Nature of Beneficial Ownership*		*Citizenship*	*Percent*
Common	Roberto V. Ongpin	Direct	10	Filipino	nil
Common		Indirect	10,571,544,535		39.15%
Common	Eric O. Recto	Direct	10	Filipino	Nil
Common	Dennis O. Valdes	Direct	1,000	Filipino	Nil
Common	Anna Bettina Ongpin	Direct	1,000	Filipino	Nil
Common	Mario A. Oreta	Direct	10	Filipino	Nil
Common		Indirect	164,000,000		0.61%
Common	Lorenzo V. Tan	Direct	10	Filipino	Nil
Common	Margarito B. Teves	Direct	1,000	Filipino	Nil
Common	Jaime J. Bautista	Direct	10	Filipino	Nil
Common	Juan Edgardo M. Angara	Direct	10	Filipino	Nil
Common	Florentino M. Herrera III	Direct	10	Filipino	Nil
Common	Francisco Ed. Lim	Direct	10	Filipino	Nil
Common	Gilberto Eduardo Gerardo C. Teodoro, Jr.	Direct	10	Filipino	Nil
Common	Dennis A. Uy	Direct	10	Filipino	Nil
Common	Jose Ramon T. Villarin	Direct	10	Filipino	Nil
Common	Gregorio T. Yu	Direct	10	Filipino	Nil
Common	Michael Angelo Patrick M. Asperin	Direct	1,000	Filipino	Nil

Except as disclosed above, the Company has not received from any of the directors or executive officers of the Company any statement of ownership, whether of record or beneficially, of more than five percent (5%) of the Company's outstanding shares of common stock. As known by the Company, the aggregate number of common shares owned directly and indirectly by all key officers and directors as a group as at April 30, 2021 was 10,549,082,210 common shares.

Changes in Control

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

Item 5. Directors and Executive Officers

Pursuant to the Company's By-Laws, the directors are elected at each annual meeting of stockholders by stockholders entitled to vote. Each director is elected for a term of one (1) year or until his successor is duly elected and qualified, unless he resigns, dies or is removed prior to such election.

The attendance of the directors at the meetings of the Board and its Committees held in 2021 and 2022 is attached as **Annexes "F"** and **"F-1"** of this Information Statement.

The following individuals have been nominated to the BOD for the ensuing year:

1. Roberto V. Ongpin (incumbent)
2. Eric O. Recto (incumbent)
3. Lorenzo V. Tan (incumbent)
4. Dennis A. Uy (incumbent)
5. Francisco Ed. Lim (incumbent)
6. Juan Edgardo M. Angara (incumbent)
7. Mario A. Oreta (incumbent)
8. Dennis O. Valdes (incumbent)
9. Anna Bettina Ongpin (incumbent)
10. Jaime J. Bautista (incumbent)
11. Margarito B. Teves – Independent (incumbent)
12. Jose Ramon T. Villarin – Independent (incumbent)
13. Florentino M. Hererra III – Independent (incumbent)
14. Gregorio T. Yu – Independent (incumbent)
15. Gilberto Eduardo Gerardo C. Teodoro, Jr. – Independent (incumbent)

The following individuals have been nominated as members of the Executive, Audit, Nominations and Compensation Committees for the ensuing year:

Executive Committee

a. Roberto V. Ongpin (Chairman)
b. Dennis O. Valdes
c. Anna Bettina Ongpin

Audit Committee

a. Margarito B. Teves (Chairman/Independent Director)
b. Gregorio T. Yu
c. Florentino M. Herrera III

Nominations Committee

a. Roberto V. Ongpin
b. Dennis O. Valdes
c. Gregorio T. Yu (Independent)

Compensation Committee

a. Roberto V. Ongpin
b. Anna Bettina Ongpin
c. Dennis O. Valdes

The aforementioned nominees were nominated to the Nominations Committee by shareholders of the Company.

Pursuant to Section 38 of the Securities Regulation Code and Article III, Section 2 of the Corporation's By-Laws, the Corporation is required to elect at least two (2) independent directors, or such independent directors constituting at least twenty percent (20%) of the members of such board, whichever is less. Messrs. Margarito B. Teves, Jose Ramon T. Villarin, Florentino M. Hererra III, Gilberto Eduardo Gerardo C. Teodoro, Jr. and Gregorio T. Yu were all nominated by shareholders of the Company. The nominating shareholders are not related to any of the nominees for independent directors.

A majority, if not all, of the above-named nominees are expected to attend the scheduled Annual Meeting.

The executive officers have been appointed by the BOD to serve for a period of one (1) year or until their successors shall have been appointed.

Names of Directors and Executive Officers

The following are the names, ages, citizenships and periods of service of the incumbent directors (as well as that of the new nominees) and executive officers of the Company, together with a brief description of their business experience during the past five (5) years:

BOARD OF DIRECTORS

Incumbent

ROBERTO V. ONGPIN, *Chairman of the Board and Chief Executive Officer*
Mr. Ongpin, Filipino, 85 years old, was elected Director and Chairman of the Board on 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 Asia 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.

ERIC O. RECTO, *Vice Chairman and Director*
Mr. Recto, Filipino, 58 years old, was elected Director on 12 November 2009 and appointed as Vice Chairman on June 20, 2018. He is also presently the President of Atok-Big Wedge Co., Inc., the Chairman of the Philippine Bank of Communications in 2012. He is presently Chairman and President of Bedfordbury Development Corporation; Chairman and President of Optimum Dev't. Holdings Phils., Inc.; Independent Director of Aboitiz Power Corporation and Philippine H2O; Director of DITO CME Holdings Corp. (formerly ISM Communications Corporation); and a Member of the Board of Supervisors of Acentic GmbH. Mr. Recto served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005, in charge of handling both the International Finance Group and the Privatization Office. Before his stint with the government, he was Chief Finance Officer of Alaska Milk Corporation and Belle Corporation. 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.

DENNIS O. VALDES, *President*
Mr. Valdes, Filipino, 60 years old, has been a Director since 2011. He became the President of the Company effective February 1, 2020. He is also a Director of Atok-Big Wedge Co., Inc. (AB). His previous work experience includes 14 years with PhilWeb Corporation, ten years with the Inquirer Group of Companies, and six years with The NutraSweet Company. 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.

ANNA BETTINA ONGPIN, *Vice-Chairman and Director*
Ms. Ongpin, Filipino, 57 years old was elected Director on March 19, 2014 and elected as Vice Chairman on February 1, 2020. She has more than 30 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.

LORENZO V. TAN
Mr. Tan, Filipino, 60 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 the incumbent President & CEO of Yuchengco-owned House of Investments, Inc. He is a prominent banker who served as the President and Chief Executive Officer of Rizal Commercial Banking Corporation from 2007 to 2016; Prior to that, he also served as President and CEO of Sun Life of Canada (Philippines), Inc., the Philippine National Bank, and the United Coconut Planters Bank. Mr. Tan is currently serving as Director of Smart Communications, Inc., Digitel Telecommunications, EEI Corp., Sun Life Grepa Financial, Inc., iPeople, Inc., Malayan Insurance Company, Inc., Manila Memorial Park Cemetery, Inc., PetroEnergy Corporation; Philippine Realty and Holding Corporation (Philrealty) and Hi-Eisai Pharmaceutical Inc.; Also serves as Director for Honda Cars Philippines and Isuzu Manila, Inc.; Director, President and CEO of RCBC Realty Corporation and San Lorenzo Ruiz Investment Holdings and Services, Inc. He holds the Vice Chairmanship of the Pan Malayan Management and Investment Corporation (PMMIC), and TOYM Foundation; Member of the Board of Trustees at De La Salle Zobel. *Other past experiences include:* Managing Director of Primeiro Partners, Inc., Chairman of Asian Bankers Association (ABA); President of Bankers Association of the Philippines (BAP). Mr. Tan is a Certified Public Accountant in Pennsylvania, USA and in the Philippines, 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 A. UY
Mr. Uy, Filipino, 48 years old, was elected Director on June 20, 2018. He is also the Vice-Chairman of Atok-Big Wedge. Co., Inc. Mr. Uy is also the Founder, Chairman and CEO of UDENNA Corporation and Dito Telecommunity Corporation; Chairman of Dito CME Holdings Corp.; Chairman of Phoenix Petroleum Philippines, Inc. (PNX), Chelsea Logistics Holdings Corporation, Chairman of UDENNA Land, Inc., PH Resorts Group Holdings Corp.; Chairman and President of UDENNA Infrastructure Corp.; Chairman of Phoenix Philippines Foundation, UDENNA Foundation, Silad Atleta Pilipinas Sprots Foundation and LIFE Fund. He was appointed Presidential Adviser on Sports in 2016, and has been an Honorary Consul of Kazakhstan to the Philippines since 2011. Mr. Uy is a graduate of De La Salle University with a degree in Business Management.

FRANCISCO ED. LIM
Atty. Lim, Filipino, 67 years old, was elected Director on June 20, 2018 and is presently the Senior Partner and a member of the Executive and Special Committees of the Angara Abello Concepcion Regala & Cruz Law Offices (ACCRALAW). He served as President and Chief Executive Officer 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 professorial 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
Mr. Angara, Filipino, 50 years old, was elected Director on June 20, 2018. He was elected to the Senate of the Philippines in 2013 where he placed 6th. He worked as a trainee at the Metopolitan 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.

JAIME J. BAUTISTA
Mr. Bautista, 65 years old was elected Director of the Company on Sept 17, 2019. He is presently a Member of the Board of Trustees of the University of the East, Member of the Board of Trustees of the UE Ramon Magsaysay Memorial Medical Center, Member of the Board of Trustees of the International School of Sustainable Tourism, Independent Director of Airspeed International Corporation, Independent Director of Nickel Asia Corp., Independent Director of Belle Corp., Independent Director of Premium Leisure Corp., Independent Director of Gothong Southern Shipping Corp., Member of the board of Directors of Philippine Bank of Communications, Member of the Board of Directors of Cosco Capital Corp. and President of Skal International Makati, He was previously President and Chief Operating Officer of Philippine Airlines, Inc, President and Director of PAL Holdings, Inc., and Treasurer and Director of Macroasia Corp. He started his career with Sycip, Gorres, Velayo and Company and help various management position in the Lucio Tan Group of Companies. Mr. Bautista, a certified public accountant, graduated from Colegio de San Juan de Letran with a degree of Bachelor of Science in Commerce, major in Accounting.

MARIO A. ORETA
Mr. Oreta, Filipino, 75 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.

MARGARITO B. TEVES (*Independent*)
Mr. Teves, Filipino, 78 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. He was formerly Secretary of the Department of Finance, Landbank President and CEO, and a Member of the House of Representatives (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, Williams College, Massachusetts, USA. He was recently conferred an Honorary Degree, Doctor of Laws, by Williams 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)*
Mr. Villarin, Filipino, 61 years old, was elected Independent Director on June 20, 2018. He is presently the Executive Director of the Manila Observatory. He served as President of Ateneo de Manila University and Xavier University (2005-2020). At present, he is Chairman of Synergeia, an NGO for

public education reform, and Vice-Chairman of the Scientific Community/Academe of the National Resilience Council. He is also on the international advisory board of Sophia University (Japan). His past engagements include membership in the boards of AIM and Ramon Magsaysay Foundation. Mr. Villarin has a degree in physics from the Ateneo de Manila University, a master's in physics from Marquette University (Wisconsin), and a doctorate in atmospheric sciences from Georgia Tech (Atlanta).

FLORENTINO M. HERERRA III *(Independent)*
Mr. Herrera, Filipino, 71 years old, was elected Independent Director on June 20, 2018. He is the founding partner of Herrera Teehankee & Cabrera Law Offices (established in 1986). He was formerly a Partner of one of the largest law offices in the Philippines. He has been engaged in the general practice of law for the past forty-four (44) years specializing in corporate law practice as counsel for various companies. Among others, he serves as Senior Adviser of CVC Asia Pacific Limited (since April 2014). He is a Director of Philippine Airlines, Inc. (since 2014), Lufthansa Technik Philippines (LTP) (since 2017) (Corporate Secretary of LTP from 2000 to 2016). He is the Corporate Secretary of MacroAsia Corporation (since 2014) and Allianz PNB Life Insurance, Inc. (since 2016). Atty. Herrera holds a Bachelor of Arts in Political Science degree and a Bachelor of Laws degree (Cum Laude, Salutatorian) both from the University of the Philippines.

GREGORIO T. YU *(Independent)*
Mr. Yu, Filipino, 64 years old was elected Independent Director on June 20, 2018. He is presently the Chairman of Auto Nation Group, Inc., Cats Automobile Corp and Nexus Technology Inc. He is also the Vice Chairman and Director of Sterling Bank of Asia. Mr. Yu is also a director of various private institutions, among which are CATS Asian Cars, Inc and American Motorcycles, Inc. He is also a Director of Unistar Credit and Finance Corporation, Philippine Bank of Communication, Glyph Studios, Inc., Prople BPO Inc., WSI Corporation, and Jupiter Systems Corporation. He is also an Independent Director of Glacier Megafridge, EEI Corporation, DITO CME Holdings Corporation, APO Agua Infrastructura Inc., Philequity Management Inc., Vantage Financial Corporation (formerly E-business Services, Inc. and Vantage Equities Inc. Mr. Yu is also a Board Member of Ballet Philippines and The Manila Symphony Orchestra since 2009.He received his MBA from the Wharton School of the University of Pennsylvania in 1983 and his Bachelor of Arts in Economics (Honors Program) Summa Cum Laude from De La Salle University in 1978**.**

GILBERTO EDUARDO GERARDO C. TEODORO, JR., *(Independent)*
Mr. Teodoro, Filipino, 58 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.

Independent Directors

As approved by the BOD, the procedure for the nomination of independent directors shall be as follows:

The nomination of independent directors shall be conducted by the Nominations Committee prior to the Annual Meeting. All recommendations shall be signed by the nominating stockholder/s together with the acceptance and conformity by the nominees for election. The Nominations Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors.

After the nomination, the Nominations Committee shall prepare a final list of candidates which shall contain all the information about all the nominees for independent directors, as required by existing and applicable rules, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the information statement, or in such other reports the Company is required to submit the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relation with the nominee.

Only nominees whose names appear on the final list of candidates shall be eligible for election as independent directors. No other nomination for independent directors shall be entertained after the final list of candidates shall have been prepared. No further nominations for independent directors shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

All nominees do not have a relationship with the Company which would interfere with the exercise of independent judgment in carrying out responsibilities of a director. None of them are related to any of the directors or officers of the Company.

The Nominations Committee has taken into consideration the qualifications to be an independent director. Attached as **Annexes "A" "B", "C", "D", and "E"** are the Certifications of the Qualification of the Nominees for Independent Directors namely Messrs. Teves, Villarin, Herrera, Teodoro and Yu.

In approving the nomination for Independent Director, the Nomination Committee took into consideration the guidelines on the nomination of Independent Directors prescribed in SEC Memorandum Circular No. 16, Series of 2002. All the nominees for election to the BOD have at least one (1) share registered in their names.

OFFICERS

MICHAEL ANGELO PATRICK M. ASPERIN, *Chief Operating Officer*
Mr. Asperin, Filipino, 63 years old, was elected director of the Company on April 2, 2013 and as Chief Operating Officer on May 31, 2016. He is the Chief Executive Officer of the Alphaland Balesin Island Club, Inc. (ABICI) He handles various matters for the Alphaland Group of Companies including the development of the Balesin Island Club project, as well as the operations of the aviation and security divisions of the Group. Prior to joining ALPHA, he served as Senior Vice President for Security for Philweb Corporation (WEB) from 2009 to 2012. He graduated from the Philippine Military Academy in 1981.

CRISTINA B. ZAPANTA, *Treasurer and Senior Vice President for Finance*
Ms. Zapanta, Filipino, 57, was appointed Treasurer and Vice President for Finance on May 17, 2016 and Senior Vice President for Finance on June 1, 2017. She is also the Senior Vice President for Finance of Atok-Big Wedge Co., Inc., Alphaland Balesin Island Club, Inc., Alphaland Makati Place, Inc., Alphaland Southgate Tower, Inc. and Alphaland Balesin Island Resort Corporation. She has more than 30 years solid experience in Finance, of which over half is in the real estate industry. She is a Certified Public Accountant.

JASON J. ALBA, *Corporate Secretary*
Mr. Alba, Filipino, 48 years old, became Corporate Secretary on June 14, 2017 and 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.

JONAMEL G. ISRAEL-ORBE, *Corporate Information Officer and Assistant Corporate Secretary*

Ms. Israel-Orbe, Filipino, 49 years old, was appointed as Corporate Information Officer of the Company since March 12, 2014 up to the present, and as Assistant Corporate Secretary of the Company since May 2016 up to the present. She is also Corporate Information Officer and Assistant Corporate Secretary of Atok-Big Wedge Co., Inc. She is a member of the Philippine Bar.

Directorships in Other Reporting Companies

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

Mr. Valdes is also a director of AB.

Mr. Eric O. Recto is also a director and the Chairman of Philippine Bank of Communications (PBC); director of DITO CME Holdings Corp. (DITO), director and the President of AB.

Ms. Ongpin is also a director of AB, Alphaland Balesin Island Club, Inc. and The City Club at Alphaland Makati Place, Inc.

Atty. Oreta is also a director of AB and The City Club at Alphaland Makati Place, Inc.

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 (RCB).

Mr. Yu is also director of PAL Holdings, Inc. (PAL) and PBC, and an independent director of I-Remit, Inc. (I).

Mr. Dennis A. Uy is the Chief Executive Officer and President of Phoenix Petroleum Philippines, Inc. (PNX), Chairman and CEO of Dito CME Holdings Corp. (formerly ISM Communications) and the Chairman of 2GO Group, Inc. (2GO), PH Resorts Group Holdings, Inc. (PHR) and Chelsea Logistics Holdings Corp. (CLC). He is also a director of Alphaland Corporation and an Independent Director of Apex Mining Company, Inc. (APX).

Shares of AB, DITO, PBC, UBP, EDC, RCB, 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.

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.

Family Relationships

Messrs. Valdes and Recto are the nephews of Mr. Ongpin. Ms. Ongpin is the daughter of Mr. Ongpin. Ms. Ongpin, Mr. Recto, and Mr. Valdes are first cousins. 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.

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 "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. This case is in the trial stage. 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 is a Petition for Certiorari which is related to this case pending with the Court of Appeals docketed as 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, respectively, for violations of Section 3 (e) 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 217914, entitled "People of the Philippines v. 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 ad Investigation 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. On September 30, 2020, the Supreme Court issued a resolution dismissing the Petition for Review filed by the SEC-EIPD. A motion for reconsideration of the dismissal is pending resolution by the Supreme Court.

5. *Roberto V. Ongpin, Dennis O. Valdes, Cyrano A. Austria, and Michael M. Asperin vs. Enforcement and Investor Protection Department – Securities and Exchange Commission* – Petition for Review with Prayer for the Issuance of a Writ of Preliminary Injunction and/or Temporary Restraining Order and/or Stay Order was filed on January 26, 2021. In a Resolution dated March 22, 2022, the Court of Appeals denied our prayer for the issuance of a temporary restraining order and/or preliminary

injunction. The Resolution further directed the parties to submit their respective Memorandas within fifteen (15) days from notice or until April 19, 2022,

6. *People of the Philippines vs. Dennis Ang Uy, John Does and/or Jane Does* - Regional Trial Court-Branch 14, Davao City, Criminal Case Nos. 75, 834-13 to 75, 845-13 and 76, 076-13. On August 27, 2013, The Department of Justice (DOJ) filed twelve (12) Informations before the Regional Trial Court of Davao against Mr. Dennis A. Uy and several John Does and/or Jane Does for alleged violations of Section 3602, in relation to Sections 3601, 2530 (I)(1), (3), (4), and (5), Sections 1801, 1802 of the Tariff and Customs Code of the Philippines. These provisions all pertains to unlawful importation of goods allegedly committed by Mr. Uy for the importation of petroleum products in the Philippines. On September 11, 2013, additional ten (10) criminal informations were filed by the DOJ, pertaining to additional instances of the violations under the TCCP. These additional informations all pertain to the alleged unlawful importation of petroleum products. On October 4, 2013, the RTC dismissed all the cases, for lack of probable cause, against Mr. Uy. People of the Philippines filed a Motion for Reconsideration, which was denied by the RTC on August 18, 2014. On October 27, 2014, the petitioner People of the Philippines filed a Petition for Certiorari with the Court of Appeals, which was denied by the latter on October 12, 2016. On November 7, 2016, the People of the Philippines filed a Motion for Reconsideration of the Decision dated October 12, 2016. To date, the Court of Appeals has not acted on the Motion for Reconsideration dated November 7, 2016 and thus the case remains pending.

7. *Dennis A. Uy vs. Hon. Secretary of the Department of Justice Leila M. De Lima and the Bureau of Customs*, CA-G.R. SP No. 131702, Court of Appeals, Manila, Special Former Special Tenth Division – Dennis A. Uy filed a Petition for Certiorari with the Court of Appeals on September 4, 2013 in connection to the resolution of the DOJ to file criminal cases against him for the alleged violations of the TCCP. On July 25, 2014, the Court of Appeals issued its Decision granting the Petition for Certiorari of Mr. Uy and declaring the Resolutions of the DOJ dated April 24, 2013 and August 13, 2013 nullified and set aside and directing that the Information filed against Dennis Uy withdrawn and/or dismissed for lack of probable cause. The DOJ and the Bureau of Customs thereafter filed a Motion for Reconsideration, which was denied by the Court of Appeals on July 23, 2015. Subsequently, the DOJ and Bureau of Customs filed a Petition for Review on Certiorari with the Supreme Court. The Supreme Court required the parties to file their respective Memoranda, which the parties complied with. On December 12, 2016, the Supreme Court issued its Notice of Resolution dated November 16, 2016 noting the parties Memoranda. As of the date, the Supreme Court has not yet issued any decision.

Other than the foregoing, 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.

Certification

Based on information provided to the Company, none of the above-named directors and officers work in the government except that Mr. Angara is an elected Senator.

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 registrant on any matter relating to the registrant's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

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

CEO and Top 4 Highest Paid Executives 1. Roberto V. Ongpin, Chairman & CEO 2. Anna Bettina Ongpin, Vice Chairman 3. Paul Dennis O. Valdes, President 4. Michael A. P. M. Asperin, EVP 5. Enrico Sison, SVP	2020	135,500,000.00	0	0	135,500,000.00
All Directors and Officers as a Group Unnamed	2020	137,900,000.00	0	0	137,900,000.00
CEO and Top 4 Highest Paid Executives 1. Roberto V. Ongpin, Chairman & CEO	2021	* 135,500,000.00	0	0	135,500,000.00

2. Anna Bettina Ongpin, Vice Chairman 3. Paul Dennis O. Valdes, President 4. Michael A. P. M. Asperin, EVP 5. Enrico Sison, SVP					
All Directors and Officers as a Group Unnamed	2021	137,900,000.00	0	0	137,900,000.00
CEO and Top 4 Highest Paid Executives **1. Roberto V. Ongpin, Chairman & CEO** **2. Anna Bettina Ongpin, Vice Chairman** **3. Paul Dennis O. Valdes, President** **4. Michael A. P. M. Asperin, EVP** **5. Enrico Sison, SVP**	**2022**	*** 138,100,000.00**	**0**	**0**	*** 138,100,000.00**
All Directors and Officers as a Group Unnamed	**2022**	*** 140,500,000.00**	**0**	**0**	*** 140,500,000.00**

**Estimated aggregate compensation for the whole year 2022.*

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. representation, gasoline and other 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 BOD do not receive any direct compensation from the Company other than per diems for attendance during meetings. None of the directors, in their personal capacity, has been contracted and compensated by the Company for services other than those provided as a director. The BOD, upon attendance at each Board Meeting, is authorized under the Company's By-laws to receive a per diem of not more than 10% of the net income before tax of the Corporation during the preceding year. In 2020, the non-executive directors and independent directors of the Company received per diems, net of tax, as follows:

Director	*Total Per Diems in 2021 (in PhP)*
Eric O. Recto	80,000
Anna Bettina Ongpin	40,000
Mario A. Oreta	80,000
Dennis A. Uy	40,000
Lorenzo V. Tan	80,000
Juan Edgardo M. Angara	80,000
Jaime J. Bautista	80,000
Gilberto C. Teodoro, Jr.	40,000

Francisco Ed. Lim	80,000
Jose Ramon T. Villarin	80,000
Florentino M. Herrera III	80,000
Gregorio T. Yu	80,000
Margarito B. Teves	80,000

The Company is being managed by the management team of AMPI.

Item 7. Independent Public Accountant

In 2021, the Company engaged Reyes Tacandong & Co. as its external auditor for the year, with the approval of the BOD and the stockholders. 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.

The Company paid its external auditor the following fees for the last three (3) years for professional services rendered:

	Aggregate Fee Amount			
Type of Service	**2021**	**2020**	**2019**	Nature of Service
External Audit	**₱1,880,000**	**₱1,880,000**	**₱1,105,000**	Audit of Financial Statements
Retainer	**216,000**	**216,000**	**216,000**	Tax Advisory
Total Fees	**₱2,096,000**	**₱2,096,000**	**₱1,321,000**	

The Audit Committee is directly responsible in selecting and appointing the independent public accountants. Annually, the Committee recommends that the Board request shareholder ratification of the appointment of the independent public accountants. The Committee is also responsible for setting the compensation of the independent public accountants and periodically reviews the fees charged for all permitted audit-related expenses and other services. The Committee performs oversight functions over the Company's external auditors. It ensures that the auditors act independently from management and that it is given access to all records, properties and personnel of the Company to enable it to perform its functions properly. It is also their responsibility to evaluate and, when appropriate, to remove the independent public accountants. The Audit Committee makes recommendations to the BOD concerning the external auditors and pre-approves audit plans, scope and frequency before the conduct of the external audit. The Committee reviews the financial reports before these are submitted to the Board, with particular focus on (i) any changes in accounting policies and practices, (ii) Major judgmental areas, (iii) significant adjustments resulting from audit, (iv) going concern assumptions, (v) compliance with accounting standards, and (vi) compliance with tax, legal and regulatory requirements. The Audit Committee has approved the audit conducted by Reyes Tacandong & Co.

There were no other professional services rendered by Reyes Tacandong & Co. during the period.

The reappointment of Reyes Tacandong & Co. as the Company's external auditor was approved by the Stockholders in the Annual Stockholders Meeting held on June 8, 2021.

The reappointment of the said auditing firm as Independent Public Accountant for the year 2022 will be submitted to the stockholders by the Company's Audit Committee for their confirmation and approval during the regular annual stockholders meeting.

Pursuant to Rule 68 of the Securities Regulation Code on the 5 year rotation requirement for the external auditor, the Audit Committee shall require the appointment of a new partner to handle and oversee the external audit of the Group's financial statements. The appointment of the duly qualified and SEC registered Independent Public Accountant shall be announced in the shareholders meeting for consideration and approval of the stockholders.

Duly authorized representatives of Reyes Tacandong & Co. are expected to be present at the meeting where they will have the opportunity to respond to appropriate questions.

Item 8. Compensation Plans

On June 5, 2013, the BOD of the Company approved a Stock Option Plan, with the following salient features:

a. Allocates no more than 5% of the authorized capital (i.e., 100 million common shares) for the plan.
b. A stock option committee will make the grants.
c. Each grant is for 3 years and will vest 1/3 each for each of the succeeding years.
d. Strike price shall not be less than 80% of the market value at the time of the grant.

The title and amount of securities underlying such options is not more than five percent (5%) of the Company's authorized capital stock or 100 million common shares of the Company.

The prices, expiration dates and other material conditions upon which the options may be exercised will be determined by the Stock Option Committee.

The consideration received or to be received by the registrant or subsidiary for the granting or extension of the options will be determined by the Stock Option Committee.

The amount of such options received or to be received by the following persons will be determined by the Stock Option Committee:

A. the Chief Executive Officer;
B. the four highest paid executive officers, other than the Chief Executive Officer, who were serving as executive officers at the end of the last completed fiscal year;
C. all current executive officers as a group;
D. each nominee for election as a director;
E. each other person who received or is to receive five percent (5%) of such options, warrants or rights;
F. all current directors as a group who are not executive officers; and
G. all other employees, as a group.

This plan was approved by Stockholders (representing at least 2/3 of the Outstanding Capital Stock) during the annual stockholders meeting held on December 3, 2014.

On November 27, 2017, June 9, 2017, and December 19, 2016, the Stock Option Plan Committee awarded stock options to key officers and employees of the Group. The Stock Option Plan was confirmed as an exempt transaction by the SEC on May 16, 2019.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

No action will be taken with respect to the authorization or issuance of any securities other than for exchange of outstanding securities of the Company.

Item 8 (Compensation Plans) above sets forth the adoption of the Company's stock option plan.

Item 10. Modification or Exchange of Securities

On May 10, 2017, the shareholders approved the following amendment to the Seventh Article of the Corporation's Articles of Incorporation, which amendment was previously approved by the Board of Directors of the Corporation on November 17, 2016, as follows:

> "SEVENTH: That the authorized capital stock of said corporation is FIVE BILLION PESOS (P5,000,000,000.00) Philippines Currency, and said capital stock is divided into FIFTY BILLION (50,000,000,000) common shares with a par value of Ten Centavos , Philippine currency (P0.10) each share."

The Company's Amended Articles of Incorporation reflecting the amendment to the Seventh Article was filed with the SEC on January 19, 2018 and was approved by the SEC on December 10, 2018.

Aside from the foregoing, there were no recent planned modifications of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The audited financial statements as of December 31, 2021, Management's Discussion and Analysis, and other data related to the Company's financial information are stated in the Management Report attached to this Information Statement.

<u>Corporate Information</u>

ALPHA is a holding company incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 19, 1990. The principal business of ALPHA and its subsidiaries (collectively referred to as the "Group") is real property development.

The registered office address of ALPHA is Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Bel-Air, Makati City.

The consolidated financial statements as at and for the year ended December 31, 2021 were approved and authorized for issuance by the Executive Committee of the BOD on March 3, 2022.

<u>ALPHA's Significant Legal Subsidiaries as at December 31, 2021 and 2020</u>

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 as Alphaland Development, Inc. On October 15, 2015, the Philippine SEC approved the change in corporate name from "Alphaland Development, Inc." to "Alphaland Southgate Tower, Inc." ASTI's primary purpose is to engage in real property acquisition and development. ASTI's main property is a 20-storey office tower building with a six-storey podium shopping mall known as Alphaland Southgate Tower. In March 2019, ASTI sold the Alphaland Southgate Tower property for nearly four times of its cost.

c. *Alphaland Makati Place, Inc. (AMPI), 100%-owned by ASTI*, 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.

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

d. *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 as Alphaland Holdings Company, Inc. On September 7, 2016, the Philippine SEC approved the change in corporate name from "Alphaland Holdings Company, Inc." to "Alphaland Baguio Mountain Log Homes, Inc.".

ABMLHI's primary purpose is to deal and engage in the real estate business in all its aspects; to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent, or otherwise deal in and dispose of, for itself or for others, all kinds of real estate projects, involving commercial, industrial, urban, residential or other kinds of real property, improved or unimproved, with or to such persons and entities and under such terms and conditions as may be permitted by law.

e. *The Alpha Suites, Inc. (TAS), 100%-owned by AMPI,* was incorporated in the Philippines and registered with the Philippine SEC on June 11, 2018 primarily to deal and engage in the real estate business in all its aspects; to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent, lease or otherwise deal in and disclose of, for itself or for others all kinds of real estate projects. In 2018, the Company started its commercial operations catering the serviced residences activity of AMPI using a number of its condominium units.

f. Alphaland Balesin International Gateway, Inc. (ABIGI), 100%-owned by ALPHA, was incorporated in the Philippines and registered with the SEC on May 19, 2010 as Aklan Boracay Properties Inc. On October 17, 2016, the Philippine SEC approved the change in the Company's corporate name from "Aklan Boracay Properties, Inc." to "Alphaland Balesin Gateway, Inc." On April 10, 2018 the

Philippine SEC approved the further change in the Company's corporate name from "Alphaland Balesin Gateway, Inc." to "Alphaland Balesin International Gateway, Inc." ABIGI's primary purpose is 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.

g. *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.

h. *Alphaland Aviation-Pampanga, Inc., 100%-owned by AAI*, was incorporated and registered with the Philippine SEC on December 5, 2016 primarily to engage in 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.

i. *Aegle Wellness Center, Inc. (AWCI), 100%-owned by ALPHA*, incorporated and registered with the Philippine SEC on September 28, 2015 primarily to provide diagnostic, therapheutic and naturopathic services using formulated herbal supplements and natural health products and sale of such herbal supplements.

j. *Aegle Drugstore, Inc., 100%-owned by AMPI*, was incorporated and registered with the Philippine SEC on December 22, 2017 primarily to engage in the business of retailing or wholesaling of pharmaceutical products, medicines, foodstuffs and groceries.

k. *Alphaland Reclamation Corporation, 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.

l. *Alphaland International. Inc.* (AII), 100%-owned by ALPHA, was incorporated and registered with the Philippine SEC on January 29, 2014 primarily to market assets, including club shares and condominium units of the Alphaland Group of Companies outside the Philippine market.

m. *2258 Blue Holdings, Inc. (Blue Holdings), 100%-owned by ASTI*, was incorporated in the Philippines and registered with the Philippine SEC on September 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.

n. *Choice Insurance Brokerage, Inc. (CIBI), 100%-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. On January 28, 2020, the BOD of CIBI approved the shortening of the term for which the company is to exist, from perpetual to eight years from its incorporation or until November 6, 2020.

o. *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.

p. *Alphaforce Security Agency, Inc.* (ASAI), 80%-owned by ALPHA, was incorporated and registered with the Philippine SEC on March 18, 2011 primarily to engage in the business of providing security and investigation services to private institutions and government organizations.

ALPHA initially subscribed to 79,999 common shares of ASAI representing 40% of its outstanding shares in March 2011, which was then accounted for as an associate. In October 2017, ALPHA purchased additional 79,999 common shares from an existing shareholder for ₱11.2 million increasing its ownership of ASAI to 80%.

Financial Statements

The audited consolidated financial statements as of December 31, 2021 of the Group will be distributed to the stockholders on the designated annual meeting date.

Plan of Operation

The Group generates funds primarily from sale of Baguio Mountain Lodges and Balesin Private Villas; from leasing operations of Alphaland Makati Place Corporate Tower and Mall; and from operation of serviced residences of The Alpha Suites that commenced during the first half of the year 2018. The leasing operations and The Alpha Suites provide recurring cash flows for the Group.

The Group also generates funds through secondary sale of membership shares of the completed Club projects, namely, Alphaland Balesin Island Club and The City Club at Alphaland Makati Place.

ALPHALAND BAGUIO MOUNTAIN LODGES

The Alphaland Baguio Mountain Lodges is a master-planned development of 300 lodgestyle log homes, situated on an 82-hectare property. The development is just 9 kilometers north of Baguio City on Ambuklao Road, which is now fully paved and is only a 15-minute drive from Baguio City proper. The development also offers two helipads

The site enjoys lush Benguet pine forest and totally pollution-free mountain air. In addition to about 10,000 Benguet pine trees on the property (some over a hundred years old), we maintain a nursery for another 50,000 pine trees, all of which will be eventually planted all over the property, making it one of the most lush pine forests in all of Benguet.

There are 7 designs and floor plans to choose from, and the homes are sited to maximize the views of the surrounding pine-forested mountains. The free-standing, individual log homes range in size from 4 to 6 bedrooms, while quadruplexes house the 2- and 3-bedroom homes; all are fully furnished. Each home is constructed from western cedar or pine logs imported from Scandinavia. The entire property is secured by an 8-foot concrete perimeter fence, with 12 security outposts.

The master plan was completed by EcoPlan of Florida in the U.S., the same master planner for Balesin Island. The lodges are sold individually as horizontal condominiums, where the land is proportionately owned by all 300 homeowners. This allows for the optimization of the locations and views of all of the home sites.

Each quadruplex or cluster of 5 to 8 individual homes has its own water cistern that collects rainwater from the roof of each building. Landscaping is provided and maintained by Alphaland, to the usual superior Alphaland standard.

On the main Ambuklao Road part of the property, we will construct a commercial center consisting of several pine log units, which we will provide rent-free to the best restaurants and popular shops in Baguio, as well as a laundromat for the convenience of our homeowners.

We have also completed the mini sports center, which has been used for wedding receptions in addition to sports and recreation. In addition, we have a 2 km hiking trail. We also have a horseback riding trail with ponies from Wright Park.

ALPHALAND MAKATI PLACE

Recent years' economic growth has resulted in the expansion of Makati's vibrant Central Business District. Alphaland Makati Place, located on a premium one-hectare property along Ayala Avenue Extension, near office buildings, schools, shopping centers, hospitals, and community areas, leads the charge.

Alphaland Makati Place is a state-of-the-art office, residential, and leisure complex that offers an integrated lifestyle solution in one dynamic complex. Every detail is planned for efficiency, sustainability, and enjoyment.

It consists of 1 corporate and 2 residential/hotel towers atop the six-storey podium. The first three floors of the podium are home to an upscale public shopping center, high-end supermarket, world-class restaurants, and service hubs. The upper three floors of the podium house The City Club, an exclusive urban sport and leisure membership club and business haven. The City Club also houses Aegle Wellness Center, a center for longevity and holistic health. Atop the sixstorey podium are the 256 units that compose The Alpha Suites luxury serviced residences, the 244 condominium units that make up The Residences at Alphaland Makati Place, and the 34-storey Alphaland Corporate Tower.

Alphaland Makati Place is the only complex in the Central Business District to present such a comprehensive living solution. It is designed by the well-established Hong Kong architectural and engineering practice, Wong & Ouyang, and the leading architectural firm in the Philippines, Casas + Architects. This complete community is designed to cut down on commuting to enable residents and guests to save time and energy, and minimize traffic, all in secure, private surroundings.

Alphaland Makati Place is designed from the ground up with state-of-the-art building management, automation, and security, as well as energy-efficient mechanical, electrical, and sanitary systems. The complex consumes far less water and energy than comparable buildings, minimizing carbon emissions and unnecessary costs, while still achieving a high level of comfort. Moreover, the complex offers five levels of underground parking, which reduces the urban "heat island effect". The project is registered under the United States Green Building Council (USGBC) rating system, which administers the Leadership in Energy and Environmental Design (LEED).

To keep Alphaland Makati Place 100% free from COVID-19, the following have been implemented:

• Continuous monitoring of the guidelines of Philippine and global public health authorities (including the World Health Organization) for health and safety protocols

• Screening all City Club members and guests, and Aegle Wellness Center clients, for COVID-19 risks by having them complete travel and health questionnaires prior to entering, and Alpha Suites guests prior to check-in

• Alpha Suites guests are also required to present a negative same-day antigen swab test result prior to check-in

• Mandatory temperature check, hand sanitization, and use of disinfecting footbath upon entry

• Compulsory wearing of face masks and face shields by all staff and guests within the building complex

• Provision of hand sanitizers at the Front Desk and at our restaurant takeout stations

• Enforcement of physical distancing in elevators and common areas of the hotel

• Heightened sanitation of all public areas and surfaces every 30 minutes

- **ALPHALAND CORPORATE TOWER**

The Alphaland Corporate Tower is a 34-storey, Grade AAA office building located in the heart of Makati's Central Business District on prestigious Ayala Avenue. Part of the Alphaland Makati Place complex, it offers total leasable space of 26,582 sqm, a panoramic view from each floor, and a total of 27 floors, each with a floor plate of 950 sqm.

Completed in early 2018, the Corporate Tower was fully leased by mid-2018. Each tenant is entitled to ten City Club shares (worth Php 1.5 million each for a total of Php 15 million) at no cost. The tower offers four high-speed elevators, an all-granite and marble entrance lobby, 100% backup genset, and the exclusive Top of the Alpha events venue on the penthouse floor, with its own private elevator..

- **THE ALPHA SUITES LUXURY SERVICED RESIDENCES**

In late 2017, Alphaland decided to convert its unsold inventory in The Residences at Alphaland Makati Place into luxury serviced apartments. The Alpha Suites serviced residences was launched in May 2018, and is wholly owned and operated by Alphaland Corporation. Composed of 256 suites, it offers several different room types: 1-Bedroom, 2-Bedroom, 2-Bedroom Deluxe, 3-Bedroom, two Penthouses, and a two-level Presidential Suite.

Each suite offers bespoke furniture, top-of the-line appliances, and premium bathroom fixtures. Every unit has a fully equipped kitchen with dishwasher as well as automated lights, window shades, TV lift, and air conditioning; laundry washer and dryer; minibar; and a safe, with the larger units also including a wine chiller. Fixtures for the suites were handpicked from leading global brands, such as Philippe Starck and Electrolux.

Guests of The Alpha Suites have full access to the 50+ facilities and amenities of The City Club, located in the same building, including the nine world-class restaurants, expansive swimming pool, indoor tennis, badminton, basketball and squash courts, 500-square meter gym, business facilities, etc.

Despite its very recent entry into the hotel market as an independent, non-affiliated property, The Alpha Suites has been ranked the #1 hotel in Makati and Metro Manila on Tripadvisor, the world's leading travel platform, since July 2019.

As we navigate through the new normal of travel, The Alpha Suites remains committed to maintaining the highest standards of hospitality while reinventing the way we deliver guest experiences for a safe and worry-free stay at your five-star home in the city.

Here are the specific steps that we are implementing as part of our commitment to keeping The Alpha Suites 100% free of COVID-19:

• Continuous monitoring of the guidelines of Philippine and global public health authorities (including the World Health Organization) for health and safety protocols

• Screening all guests for COVID-19 risks by having them complete travel and health questionnaires prior to check-in

• COVID-19 antigen swab testing of guests according to the existing guidelines

• Mandatory temperature check, hand sanitization, and use of disinfecting footbath upon entry to hotel

• Compulsory wearing of face masks and face shields by all staff and guests within the building complex, and wearing of disposable gloves by our front-line staff

• Provision of hand sanitizers at the Front Desk and at our restaurant takeout stations

• Enforcement of physical distancing in elevators and common areas of the hotel

• Heightened sanitation of all public areas and surfaces every 30 minutes

• UV treatment of all suites prior to checkin to ensure the elimination of harmful pathogens on room surfaces

• Increased frequency of disinfection of all high-touch areas in the suites

• Application of door seal to ensure that the suite has not been accessed by anyone after sanitation by Housekeeping

- **THE RESIDENCES AT ALPHALAND MAKATI PLACE**

Dubbed "the home of the future", The Residences at Alphaland Makati Place incorporates the limitless possibilities of futurereceptive technology into residents' daily lives through the incorporation of fiber optic infrastructure.

The Residences at Alphaland Makati Place, a meticulously designed complex that ensures a natural fusion of aesthetics and efficiency, offers fully fitted and fully furnished, stateof-the-art Ayala Avenue apartments. The strategic location of the complex makes it a perfect home for dynamic executives, young families, and upwardly mobile singles. The complex incorporates high-speed fiber optic infrastructure, ensuring that it will be technologically advanced for years to come.

Each unit in The Residences at Alphaland Makati Place comes with a resident membership in The City Club, whose top-of-the-line facilities are dedicated to fulfilling the most demanding lifestyle needs.

- **TOP OF THE ALPHA**

The Top of the Alpha is Manila's premier destination for upscale bar & lounge entertainment and private events. The venue features a magnificent view from every part of the 34th floor penthouse of the Alphaland Corporate Tower in Makati.

Top of the Alpha has an L-shaped music lounge where well-known jazz bands have performed, a Tabacalera Cigar Divan featuring the country's finest hand-rolled cigars and single-malt Scotch and Cognac pairings, and an open-air wraparound terrace for dining and lounging with a spectacular view of the metropolis. It also has three beautifully designed private rooms featuring large TV monitors where you can view the live bands or your choice of music in a plush, private setting.

Top of the Alpha is also a premier private events venue serving refined continental cuisine and fine wines and spirits, with live acoustic music and the beautiful view of the metro as its backdrop

AEGLE WELLNESS CENTER, INC.

Aegle Wellness Center is a state-of-the-art integrative health and wellness center purposely set in two complementary sites—a five-star city center facility and an exclusive island resort setting—to nurture and sustain our unique and bespoke wellness programs.

Named after the Greek goddess of radiant good health, Aegle illustrates the marriage of science and health—Aegle being the daughter of Aesculapius, the god of medicine, and Epione, the goddess of soothing of pain. Aegle is the sister of Panacea, the goddess of medicines, and Hygeia, goddess of health.

Aegle is devoted to the maintenance of health through lifestyle modification based on cuttingedge technology from the basic sciences such as cell physiology, molecular biology, and human genomics. Protocols are hinged on the four foundations of wellness: natural detoxification, weight management, ageing medicine, and holistic health.

Complementing the limitations of Western medicine with the preventive health values of traditional healing, Aegle provides multi-faceted programs to address health concerns ranging from treatment of lifestyle diseases, to enhancing function and athletic performance, to providing support for prevention of terminal illness.

Leading Aegle's acclaimed medical team is Dr. Benedict Valdecañas, the country's leading authority in the field of Sports and Regenerative Medicine. The city-center facility of Aegle Wellness Center, which is located at The City Club, began operations in late 2015, while its second center, located adjacent to the Mykonos Beach Villas in Balesin Island Club, opened its doors in April 2016. The Aegle facility at Balesin offers Thalassotherapy as a centerpiece of its wellness programs.

SERVICES AND PROGRAMS
• Professional Assessment & Evaluation
• Professional Age Management Consults
• Exercise Instruction, Initiation, Integration and Physical Therapy
• Nutritional Consults, Weight Management and Support
• Life Coaching
• Mindfulness Coaching
• Thalassotherapy (Aegle - Balesin only)
• Laboratory Assessment
- COVID-19 Reverse Transcription Polymerase Chain Reaction, Rapid Antigen, and Rapid Antibody Testing
- Complete Blood Analysis and Serum Chemistry
- Body Composition Analysis (BCA)
- Metabolic Analysis Testing
- Food Sensitivity Testing
- Genomic Analysis
- Hormonal Assay
- Micronutrient Assay
- Cancer Markers
- Toxicology Scan
- Gut Microbiome Analysis
- Oxidative Stress
- Neurotransmitter Assay
- Amino Acid Assay
- Cardiovascular
- Chronic Fatigue Syndrome
- Ancillary Assessment

- Plethysmography
- Live Blood Analysis

TREATMENTS
• Hyperbaric Oxygen Therapy (HBOT)
• Colon Hydrotherapy
• Intravenous Detoxification
• Intravenous Supplementation

AESTHETIC TREATMENTS
• Skin Renewals
• Skin Regeneration & Remodeling
• Body Reshaping
• FaceFitness and FaceFitness Luxe

ALPHALAND BALESIN INTERNATIONAL GATEWAY, INC.

Alphaland has acquired 732 hectares on Patnanungan Island, which is only 21 nautical miles north of Balesin. Between Balesin and Patnanungan it takes only ten minutes by helicopter, five minutes by our Cessnas, and half an hour by a fast ferry.

We plan to build a full international airport facility with a runway of 2,500 meters, which will accommodate even wide-body jets, although we are targeting only the Airbus 320s that fly around the region.

We have always envisioned making Balesin directly accessible to international flights. With the establishment of the Balesin Gateway International Airport, our international members and guests will be able to bypass the congestion of NAIA in Manila and fly directly to Balesin from Tokyo, Seoul, Taipei, Hong Kong, Bangkok, Singapore, and Jakarta, and even Sydney, all cities that will be the target of our aggressive international marketing of Balesin Island Club.

Because the island has fresh ground water, we also plan to build an 18-hole championship golf course and 5 luxury hotels, as well as 1,834 beachfront and golf course homes. So that we do not end up with a mish-mash of designs and are able to preserve the pristine character of the land, we will design and build each individual home. The homes can be directly owned by individuals and companies who would like to acquire their own beach houses. We have partnered with EcoPlan (the same master planner of Balesin Island) to finalize the master plan for the island, and continue to work on obtaining the necessary permits and regulatory approvals.

ALPHALAND AVIATION, INC.

Alphaland Aviation's fleet of aircraft includes two 68-seater ATR 72-500s, two 9-seater Cessna 208B Grand Caravans, and a 12-passenger Dassault Falcon 900EX, as well as a 5-passenger Eurocopter EC-130B4 helicopter.

- ALPHALAND CLARK HANGAR AND LOUNGE

Alphaland's private hangar and lounge at Clark International Airport in Pampanga has allowed us to offer additional and more convenient flights for Balesin members who live in the northern part of Metro Manila and in Central Luzon. In addition to our usual service from NAIA, we now schedule flights to and from Clark to avoid the air traffic and runway congestion at NAIA.

The Group is looking forward to a strong operating performance in 2021 despite of the adverse effects of the covid-19 pandemic in its operations as well as in worldwide economy. The Alphaland Corporate Tower is 100% leased at a record amount per square meter, while The Alpha Suites, in only one and a half years has been consistently rated as the no. 1 hotel in Metro Manila by TripAdvisor. Both operations are strongly contributing to the company's cash flows.

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.

Number of Employees

The Group does not expect significant change in the number of employees for year 2022.

Submission of Matters to a Vote of Security Holders

During the last Annual Stockholders' Meeting on June 8, 2021, the security holders present and represented approved the appointment of Reyes Tacandong & Co. as the Company's external auditor

The top 20 registered stockholders of the Company as of March 31, 2022 are as follows:

		Citizenship	No. of Shares	%
1.	Alphaland Development, Inc.	Filipino	13,792,109,780	51.06%
2.	RVO Capital Ventures Corporation	Filipino	8,426,567,460	31.20%
3.	Boerstar Corporation	Filipino	1,677,884,300	6.21%
4.	Red Epoch Group Ltd.	Hongkong	961,134,130	3.56%
5.	Fine Land Limited	Filipino	890,000,000	3.30%
6.	Azurestar Corporation	Filipino	280,626,360	1.04%
7.	Noble Care Management Corporation	Filipino	145,916,470	0.54%
8.	Arculli, Derek	Filipino	100,000,000	0.37%
9.	Citadel Investments Limited	Filipino	100,000,000	0.37%
10.	Major Holdings Corporation	Filipino	90,118,820	0.33%
11.	Major Properties, Inc.	Filipino	73,881,180	0.27%
12.	Loustar Corporation	Filipino	55,641,840	0.21%
13.	Powerventures, Inc.	Filipino	54,900,230	0.20%
14.	Galaxyhouse, Inc.	Filipino	47,575,450	0.18%
15.	Crystalventures, Inc.	Filipino	47,198,420	0.17%
16.	Towermill Capital Ventures Corporation	Filipino	47,112,770	0.17%
17.	Gemplace Resources, Inc.	Filipino	46,877,410	0.17%
18.	Summer Wind Capital Ventures Corporation.	Filipino	41,791,630	0.15%
19.	Mega Access Capital Ventures Inc.	Filipino	25,205,930	0.09%
20.	Globalcentric Corporation	Filipino	25,118,000	0.09%

Dividends

During the special meeting of the Board of Directors of the Company held on July 30, 2021, the Board approved the declaration of cash dividends (out of the unrestricted and unappropriated retained earnings of the Company as of December 31, 2020) at Php0.04 per share in favor of holders of common shares of the Company as of the Record Date, July 15, 2021, payable on or before August 4, 2021. Other than the foregoing,

There are no restrictions on the Corporation that limit the payment of dividends on Common shares. The Company has re-invested its retained earnings for working capital requirements as well as the expansion of its operations and facilities.

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

Within the past three years, the Company entered into the following share subscription agreements:

Date of Subscription	*Subscriber*	*Number of Shares Subscribed*	*Total Subscription Price (in PhP)*
January 2, 2020	Crystalventures, Inc.	47,198,420	224,479,349
January 2, 2020	Earthlight, Inc.	25,061,400	119,294,209
January 2, 2020	Galaxyhouse, Inc.	47,575,450	226,082,227
January 2, 2020	Gemsplace Resources, Inc.	46,877,410	222,765,069
January 2, 2020	Globalcentric Corporation	25,118,000	119,463,179
January 2, 2020	Loustar Corporation	55,641,840	264,414,318
January 2, 2020	Mega Access Capital Ventures, Inc.	25,205,930	119,982,187
January 2, 2020	Powerventures, Inc.	54,900,230	260,890,144
January 2, 2020	Redcrest Holdings Corporation	24,641,230	117,097,022
January 2, 2020	Regenstar Holdings Corporation	25,034,140	119,164,443
January 2, 2020	Summer Wind Capital Ventures Corporation	41,791,630	198,597,048
January 2, 2020	Towermill Capital Ventures Corporation	47,112,770	223,883,517

Other than the foregoing, there were no recent sales of unregistered or exempt securities including recent issuances of securities constituting an exempt Transaction.

Item 12. Mergers, Consolidations, Acquisitions, and Similar Maters

There are no maters or actions to be taken up in the annual stockholders' meeting with respect to merger, consolidation, acquisition by sale, or liquidation of the Company.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the annual stockholders' meeting with respect to acquisition or disposition of any property by the Company.

Item 14. Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

OTHER MATTERS

Item 15. Action with Respect to Reports

(a) During the last Annual Stockholders' Meeting held on June 8, 2021, the Chairman reported the results of operations of the Company.

Voting and vote tabulation procedures used in the previous meeting.
Items that required the vote of stockholders were presented for approval of the stockholders at the previous meeting. The vote required for acts requiring stockholders approval is at least a majority of the outstanding capital stock. Voting was validated by the Corporate Secretary.

For the election of Directors, each stockholder was entitled to one (1) vote per share multiplied by the number of board seats. Cumulative voting was allowed for election of members of the Board of Directors. Each stockholder the stockholders may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the number of directors to be elected.

The following matters were likewise presented and approved by the stockholders during the said meeting:

i. Minutes of the previous Annual Stockholders' Meeting
ii. Annual Report of Management including the Audited Financial Statements for the year ended 31 December 2020
iii. Confirmation of all acts of the Board of Directors and of Management since the last Annual Stockholders' Meeting
iv. Election of directors for the ensuing year
vii. Appointment of external auditor

The voting results of each agenda item, attendance of the directors, officers, and stockholders are duly reflected in the Minutes of the previous Annual Stockholders' Meeting attached as **Annex "H"** and **"H-1"** of this Information Statement.

Prior to adjournment, the Chairman opened the floor for comments and questions by the stockholders. None of the stockholders participating in the meeting asked any questions.

(b) For the Annual Stockholders' Meeting on May 26, 2022, the Chairman will report on the performance of the Company in the year 2021. The following matters will also be presented for the consideration of the stockholders at such meeting:

i. Minutes of the 2021 annual meeting of stockholders held on June 8, 2021
ii. Annual Report of Management;

iii. Ratification and approval of all resolutions of the Board and the Executive Committee, and all acts of the Management after the annual stockholders' meeting on June 8, 2021 until the annual stockholders' meeting on May 26, 2022.
iv. Election of the members of the Board, including Independent Directors; and
v. Election of the external auditor.

Item 16. Matters Not Required to be Submitted

There are no matters or actions to be taken up in the meeting that will not require the vote of the stockholders as of the record date.

Item 17. Other Proposed Action

(a) Ratification of all resolutions of the Board and the Executive Committee, as well as the acts of the Management to implement the resolutions after the annual stockholders' meeting on June 8, 2021 until the annual stockholders' meeting on May 26, 2022 including, but not limited to, the following matters:

- July 30, 2021 – Resolution approving the declaration of cash dividend and retained earnings
- March 3, 2022 – Resolution approving the released of the Audited Financial Statement ending 31 December 2021
- April 6, 2022 – Resolution approving the postponement and resetting of 2022 Annual Stockholders Meeting

(b) Election of the members of the Board, including the independent directors, for the ensuing year.
(c) Election of the external auditor.

Item 18. Voting Procedures

The vote required for acts requiring stockholders approval is at least a majority of the outstanding capital stock.

There are 15 individuals in the final list of nominees prepared by the Nominations Committee for membership in the Company's Board of Directors. Serving as directors of the Company is voluntary and as of this time 15 individuals have qualified and have agreed to serve as directors of the Company. In the election of directors, the 15 nominees with the greatest number of votes will be elected directors.

Every stockholder entitled is entitled to one vote. However, with respect to the election of directors, the stockholders may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the number of directors to be elected.

The method of counting the votes of the shareholders shall be in accordance with the general provisions of the Revised Corporation Code of the Philippines. Method of voting is outlined in the procedures attached to this Information Statement. Counting of votes shall be supervised by the Corporate Secretary and/or Assistant Corporate Secretary.

Compliance with Leading Practices on Good Governance

The BOD 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 BOD, 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 BOD 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 is 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 it corporate performance and accountability. Attached as **Annex "G"** of this Information Statement is the report on the attendance of the members of the Board in seminars on corporate governance.

To appraise the performance of the Board, the Company uses the evaluation method of self-assessment and feedback review based on the following criteria:

i. Organization and Dynamics, including mix of skills, knowledge, diversity, experience and independence
ii. Efficiency and Effectiveness, including individual performance of each member and clarity of purpose;
iii. Direction and Values including the quality of leadership and relationships between and among members;
iv. Risk Management and Governance;
v. Strategic Resource Allocation;
vi. Succession Planning; and
vii. Business Performance, including the level and quality of reporting measures.

No deviation from the Company's Manual Code of Corporate Governance has been noted. The Company's Manual on Corporate Governance was amended on February 21, 2011.

A COPY OF THE AUDITED FINANCIAL STATEMENTS (AFS) WITH MANAGEMENT DISCUSSION & ANALYSIS, AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020 IS ATTACHED TO THIS INFORMATION STATEMENT.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT AND/OR AUDITED FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION AND ANALYSIS FOR THE APPLICABLE INTERIM PERIOD. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO:

ATTY. JASON J. ALBA
CORPORATE SECRETARY, ALPHALAND CORPORATION
5TH FLOOR, THE CITY CLUB AT ALPHALAND MAKATI PLACE
7232 AYALA AVENUE CORNER MALUGAY STREET
1209 MAKATI CITY

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on May 10, 2022 .

ALPHALAND CORPORATION
Issuer

By: JASON J. ALBA
Corporate Secretary

ALPHALAND CORPORATION

MANAGEMENT REPORT
for the
2021 Annual Meeting of Stockholders
Pursuant to SRC Rule 20 (4) (A)

A. AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2021

Please see the attached Audited Financial Statements as of and for the year ended December 31, 2021.

B. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

In 2021, the Company engaged Reyes Tacandong & Co. as its external auditor for the year, with the approval of the BOD and the stockholders. 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.

C. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Financial Condition and Results of Operations

Management's Discussion and Analysis of Results of Operation and Financial Condition

Results of Operations (in thousands)

	For the Three Months Ended March 31		Variance	
	2022 (Unaudited)	2021 (Unaudited)	Amount	%
REVENUES				
Real estate sold	**₱380,591**	₱88,248	₱292,343	331%
Rental income	**74,016**	170,463	(96,447)	-57%
Service income	**128,095**	137,266	(9,171)	-7%
Interest income	**3,690**	3,933	(243)	-6%
Others	**43,927**	13,329	30,599	230%
	630,319	413,238	217,081	53%
COSTS AND EXPENSES				
Cost of services	**144,059**	150,417	(6,358)	-4%
Cost of real estate sold	**179,529**	58,534	120,955	207%
General and administrative	**150,827**	180,971	(30,158)	-17%
	474,415	389,922	84,479	22%
OTHER INCOME (EXPENSES)				
Gain on fair value changes of investment properties	–	–	–	–
Net accounting loss on sale of Southgate	–	–	–	–
Other gains (losses) – net	**30**	1,000	(970)	-97%
	30	1,000	(970)	-98%
INCOME BEFORE INCOME TAX	**155,934**	24,317	12,508	541%
PROVISION FOR INCOME TAX				
Current	–	4,177	4,177	-100%
Deferred	–	–	–	–
	–	4,177	4,177	-100%
NET INCOME	**155,934**	20,140	135,794	674%
OTHER COMPREHENSIVE INCOME				
Not to be reclassified to profit or loss in subsequent years:				
Revaluation increase	–	–	–	–
Income tax effect	–	–	–	–
	–	–	–	–
Unrealized valuation gain on club shares for sale	**20,050**	3,000	17,050	568%
Income tax effect	**(3,008)**	(450)	(2,558)	568%
	17,043	2,550	14,493	568%
Remeasurement gain(loss) on retirement liability	**644**	(1,643)	2,287	139%
	17,687	907	16,780	1850%
TOTAL COMPREHENSIVE INCOME	**₱173,621**	₱21,047	₱152,574	725%
Net income attributable to:				
Equity holders of the Parent Company	**₱155,791**	₱19,551	₱136,240	697%
Noncontrolling interests	**143**	590	(446)	-76%
	₱155,934	₱20,140	₱8,331	674%
Total comprehensive income attributable to:				
Equity holders of the Parent Company	**₱173,374**	₱20,458	₱152,917	747%
Noncontrolling interests	**247**	590	(323)	-58%
	₱173,621	₱21,047	₱152,574	725%

The Group's net income for the three months ended March 31, 2022 and 2021 amounted to ₱155.9 million and ₱20.1 million, respectively. Total comprehensive loss of the Group is ₱173.6 million in 2022 and ₱21 million in 2021.

53*% Increase in Revenues*
The Group showed total revenues amounting to ₱630.3 million and ₱413.2 million for the three months ended March 31, 2022 and 2021, respectively.

The increase is mainly attributable to the increase in the log homes sold by Alphaland Baguio Mountain Log Homes Inc. However, this is offset by a decrease in Rental income due to decline in number tenants in Alphaland Makati Place Inc.

22% Increase in Costs and Expenses
Corresponding the increase in service revenues, the cost of services likewise increased. This increase was partially offset by the reduction in the number of employees and other costs to operate.

98% Decrease in Other Income (Expenses)
This pertains to foreign exchange gain of the Group. lower Philippine Peso to US Dollar rate was reported as of March 31, 2022 as compared to the same period in 2022.

568% Increase in Other Comprehensive Income
The increase pertains to the unrealized valuation on sale of club shares due to higher selling price as compared to its fair value and to the remeasurement gain on retirement liability due to decrease in number of employees of the Group.

	Years Ended December 31		Variance	
	2021 (Audited)	2020 (Audited)	Amount	%
REVENUES				
Real estate sold	**₱2,057,501**	₱1,034,902	₱1,022,599	99%
Service income	**516,074**	399,695	116,379	29%
Rental income	**336,323**	491,802	(155,479)	-32%
Interest income	**21,116**	28,072	(6,956)	-25%
Others	**95,449**	43,702	51,747	118%
	3,026,463	1,998,173	1,028,290	51%
COSTS AND EXPENSES				
Cost of real estate sold	**1,058,732**	452,170	606,562	134%
Cost of services	**598,773**	608,213	(153,418)	-2%
General and administrative	**844,065**	964,780	(157,075)	13%
	2,501,568	2,025,163	476,407	24%
OTHER INCOME (EXPENSES)				
Gain on fair value changes of investment properties	**1,605,797**	4,131,609	(2,525,812)	-61%
Finance costs	**(2,371)**	(2,593)	222	-9%
Other gains (losses) - net	**21,813**	32,702	(10,998)	-33%
	1,625,239	4,161,718	(2,536,479)	-61%
INCOME BEFORE INCOME TAX	**2,150,239**	4,134,728	(1,984,596)	-48%
PROVISION FOR INCOME TAX				
Current	**288,057**	154,250	133,807	87%
Deferred	**(2,366,078)**	1,285,165	(3,651,243)	-284%
	(2,078,021)	1,439,415	(3,517,436)	-244%
NET INCOME (LOSS)	**4,228,153**	2,695,313	1,532,843	57%
OTHER COMPREHENSIVE INCOME				
Not to be reclassified to profit or loss in subsequent years:				
Revaluation increase	**427,615**	-	427,615	100%
Income tax effect	**(106,904)**	-	-(106,904)	100%
	320,711	-	320,711	100%
Unrealized valuation gain on club shares for sale	**(31,566)**	(1,328,240)	1,296,674	-98%
Income tax effect	**4,734**	199,236	(194,501)	-98%
	(26,631)	(1,129,004)	(1,102,173)	-98%
Remeasurement gain(loss) on retirement liability	**(11,581)**	5,368	(16,498)	-316%
	282,299	(1,123,636)	(1,405,935)	-125%
TOTAL COMPREHENSIVE INCOME	**4,510,653**	₱1,571,677	(₱2,938,779)	-85%
Net income attributable to:				
Equity holders of the Parent Company	**₱4,227,800**	₱2,701,823	₱1,525,977	56%
Noncontrolling interests	**355**	(6,510)	6,865	-105%
	₱4,228,155	₱2,695,313	₱1,532,843,	57%
Total comprehensive income attributable to:				
Equity holders of the Parent Company	**₱4,510,100**	₱1,578,187	₱2,931,913	186%
Noncontrolling interests	**355**	(6,510)	6,865	-105%
	₱4,510,455	₱1,571,677	₱2,938,779	187%

The Group's net income in 2021 and 2020 amounted to ₱ 4,228.2 million and ₱2,695.3 million, respectively. Total comprehensive income of the Group is ₱4,510.5 million in 2021 and ₱1,571.7 million in 2021.

51% Increase in Revenues
The Group showed total revenues amounting to ₱3,026.5 million and ₱1,998.2 million for the years ended December 31, 2021 and 2020, respectively.

This is mainly attributable to the sale of 67 Log Homes in Baguio and 1 Villa in Balesin. The increase in the number of passengers of AAI also attributed in the increase in revenues as the restrictions due to COVID pandemic eased in 2021 compared to 2020. However, the decrease in occupancy rate of TAS in 2021 partially compensated the total increase in revenues.

24% Increase in Costs and Expenses
The Group showed total costs and expenses amounting to ₱2,501.6 million and ₱2,025.2 million for the years ended December 31, 2021 and 2020, respectively.

Correspondingly, due to the sale of Log Homes and Private Villa, the costs and expenses attributable to the revenues affected also increased.

32% Decrease in Other Income (Expenses)
Other income (expense) decreased by ₱ 2,221.4 million from ₱ 4,161.7 million in 2020 to ₱1,625.2 million in 2021. The significant decrease is attributable to lower fair value increment of Silang, Makati Place, Baguio, Patnanungan and Balesin properties in 2021 as compared to 2020. The decrease is also attributable to the gains in reversal of liabilities and security deposits of tenants in 2020 and none in 2021.

244% Decrease in Provision for Income Tax
Decrease in provision for income tax from ₱1,439.4 million in 2020 to (₱2,078 million) in 2021 is mainly attributable to the effect of CREATE law lowering the corporate income tax rate from 30% to 25%. the lower deferred income tax due to lower fair value increment on the Group's properties in 2021.

	Years Ended December 31		Variance	
	2020 (Audited)	2019 (Audited)	Amount	%
REVENUES				
Real estate sold	**₱1,034,902**	₱1,115,616	(₱80,714)	-7%
Rental income	**491,802**	853,183	(361,381)	-42%
Service income	**399,695**	530,538	(130,843)	-25%
Interest income	**28,072**	26,545	1,527	6%
Others	**43,702**	50,454	(6,752)	-13%
	1,998,173	2,576,336	(578,163)	-22%
COSTS AND EXPENSES				
Cost of services	**608,213**	761,631	(153,418)	-20%
Cost of real estate sold	**452,170**	552,587	(100,417)	-18%
General and administrative	**964,780**	1,121,855	(157,075)	-14%
	2,025,163	2,436,073	(410,910)	-17%
OTHER INCOME (EXPENSES)				
Gain on fair value changes of investment properties	**4,131,609**	18,286,157	(14,154,548)	-77%
Net accounting loss on sale of Southgate	**-**	(7,003,266)	7,003,266	-100%
Finance costs	**-**	(190,870)	190,870	-100%
Other gains (losses) – net	**30,109**	(7,472)	37,581	-503%
	4,161,718	11,084,549	(6,922,831)	-62%
INCOME BEFORE INCOME TAX	**4,134,728**	11,224,812	(7,090,084)	-63%
PROVISION FOR INCOME TAX				
Current	**154,250**	826,587	(672,337)	-81%
Deferred	**1,285,165**	2,565,137	(1,279,972)	-50%
	1,439,415	3,391,724	(1,952,309)	-58%
NET INCOME (LOSS)	**2,695,313**	7,833,088	(5,137,775)	-66%
OTHER COMPREHENSIVE INCOME *Not to be reclassified to profit or loss in subsequent years:*				
Revaluation increase	**-**	768,967	(768,967)	-100%
Income tax effect	**-**	(230,690)	230,690	-100%
	-	538,277	(538,277)	-100%
Unrealized valuation gain on club shares for sale	**(1,328,240)**	2,732,624	(4,060,864)	-149%
Income tax effect	**199,236**	(409,894)	609,130	-149%
	(1,129,004)	2,322,730	(3,451,734)	-149%
Remeasurement gain(loss) on retirement liability	**5,368**	(4,393)	9,761	-222%
	(1,123,636)	2,856,614	(3,980,250)	-139%
TOTAL COMPREHENSIVE INCOME	**₱1,571,677**	₱10,689,702	(₱9,118,025)	-85%
Net income attributable to:				
Equity holders of the Parent Company	**₱2,701,823**	₱7,831,868	(₱5,130,045)	-66%
Noncontrolling interests	**(6,510)**	1,220	(7,730)	-634%
	₱2,695,313	₱7,833,088	(₱5,137,775)	-66%
Total comprehensive income attributable to:				
Equity holders of the Parent Company	**₱1,578,187**	₱10,688,482	(₱9,110,295)	-85%
Noncontrolling interests	**(6,510)**	1,220	(7,730)	-634%
	₱1,571,677	₱10,689,702	(₱9,118,025)	-85%

The Group's net income in 2020 and 2019 amounted to ₱ 2,695.3 million and ₱7,833.1 million, respectively. Total comprehensive income of the Group is ₱1,571.7 million in 2020 and ₱10,689.7 million in 2019.

22% Decrease in Revenues
The Group showed total revenues amounting to ₱1,998.2 million and ₱2,576.3 million for the years ended December 31, 2020 and 2019, respectively.

This is mainly attributable to effects of the COVID pandemic, which started in March 2020, resulting to decrease in the number of tenants of AMPI, passengers of AAI and clients of ASAI. The sale of Southgate in March 2019 also contributed to the decrease. However, the increase in occupancy rate of TAS in 2020 compensated the total decrease in revenues.

17% Decrease in Costs and Expenses
The Group showed total costs and expenses amounting to ₱2,025.2 million and ₱2,436.1 million for the years ended December 31, 2020 and 2019, respectively.

Correspondingly, due to effects of the pandemic, the costs and expenses attributable to the revenues affected also decreased. The costs and expenses in operating the Southgate, which was sold in March 2019, contribute also to the decrease.

62% Decrease in Other Income (Expenses)
Other income (expense) increased by ₱ 6,922.8 million from ₱ 11,084.5 million in 2019 to ₱4,161.7 million in 2020. The significant decrease is attributable to lower fair value increment of Silang, Makati Place, Baguio, Patnanungan and Balesin properties in 2020 as compared to 2019. Decrease is also attributable to net accounting loss on sale of Southgate in 2019.

58% Decrease in Provision for Income Tax
Decrease in provision for income tax from ₱3,391.7 million in 2019 to ₱1,439.4 million in 2020 is mainly from the lower deferred income tax due to lower fair value increment on the Group's properties in 2020. Decrease is also attributable to current income tax on the sale of Southgate in 2019.

Financial Condition (in thousands)

	March 31, 2022 (unaudited)	December 31, 2021 (audited)	**Variance** Amount	%
ASSETS				
Current Assets				
Cash and cash equivalents	**₱602,603**	₱1,171,738	(569,134)	-49%
Trade and other receivables	**2,522,950**	2,730,123	(207,173)	-8%
Land and development costs and parking lots for sale	**2,757,340**	2,773,582	(16,242)	-1%
Advances to related companies	**3,836,367**	3,983,186	(146,818)	-4%
Club shares for sale	**1,054,150**	1,071,311	(17,161)	-2%
Other current assets	**1,266,133**	1,196,483	69,650	6%
Total Current Assets	**12,039,544**	12,926,423	(886,879)	-7%
Noncurrent Assets				
Investment in and advances to an associate	**12,349**	12,349	–	–
Club shares for sale - net of current portion	**29,892,250**	29,939,589	(47,339)	-0.2%
Investment properties	**59,780,178**	60,053,684	(273,507)	-0.5%
Property and equipment	**10,047,190**	9,963,624	83,566	1%
Other noncurrent assets	**170,394**	176,463	(6,068)	-3%
Total Noncurrent Assets	**99,902,361**	100,145,709	(243,348)	-0%
	111,941,905	₱113,072,132	(1,130,226)	-1%
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	**₱2,363,916**	₱3,126,804	(762,888)	-24%
Advances from related companies	**2,244,432**	2,529,749	(285,317)	-11%
Current portion of customers' deposits	**126,955**	180,932	(53,977)	-30%
Income tax payable	**143,922**	624,353	(480,430)	-77%
Total Current Liabilities	**4,879,225**	6,461,838	(1,582,612)	-24%
Noncurrent Liabilities				
Customers' deposits - net of current portion	**81,859**	80,105	1,755	2%
Retirement liability	**27,648**	94,809	(67,161)	-71%
Net deferred tax liabilities	**21,341,876**	19,988,067	1,353,809	7%
Other noncurrent liabilities	**447,265**	388,289	58,975	15%
Total Noncurrent Liabilities	**21,898,648**	20,551,271		
Total Liabilities	**26,777,873**	27,013,109		
Equity Attributable to Equity Holders of the Parent Company				
Capital stock	**2,702,323**	2,702,323	–	–
Additional paid-in capital	**12,909,581**	12,909,581	–	–
Retained earnings	**60,439,329**	61,016,927	(577,598)	-1%
Other comprehensive income:				
Cumulative unrealized valuation gain on club shares for sale	**23,091,328**	23,136,499	(45,172)	-0.2%
Revaluation surplus	**3,428,674**	3,664,880	(236,206)	-6%
Accumulated remeasurement gain on retirement liability	**(1,060)**	34,744	(35,804)	-103%
	102,570,175	103,464,954		
Less:				
Parent Company's shares held by a subsidiary	**16,881,220**	16,881,220	–	–
Cost of treasury shares	**524,283**	524,283	–	–
	85,164,672	86,059,451	(894,780)	-1%
Noncontrolling interests	**(640)**	(428)	(212)	49%
Total Equity	**85,164,032**	86,059,023	(894,991)	-1%
	₱111,941,905	₱113,072,132	(1,130,226)	-1%

Total assets of t he Group decreased by ₱1,130,2 million or 1% from ₱113,072.1 million as of December 31, 2021 to ₱111,941.9 million as of March 31, 2022.

49% decrease in cash and cash equivalents
Cash and cash equivalents was significantly lower by 49% or ₱569.1 million due settlement of Other Payables of ABMLHI amounting to ₱600 million. On the contrary, collections on the sale of log homes offset the payment made by ABMLHI.

8% decrease in trade and other receivables
Trade and other receivables decreased by 8% or ₱207.1 million mainly due to collections on sale of log homes and club shares.

4% decrease in advances to related companies
Advances to related companies decreased by 4% or ₱146.8 million due to collection of advances from Clubs for working capital requirements.

0.2% decrease in club shares for sale
Club shares for sale decreased by 0.2% or ₱64.5 million due to additional sale of club shares held by ABIRC.

1% increase in property and equipment
Property and equipment increased by 1% or ₱83.6 million due to purchases of additional Chopper and aircraft equipment. It is offset depreciation expense incurred of the Group.

24% decrease in trade and other payables
Trade and other payables decreased by 24% or ₱762.9 million due to settlement of other payables of ABMLHI.

11% decrease in advances from related companies
Advances from related companies decreased by 11% or ₱285.3 million due to settlement of various advances from affiliates.

15% increase in other noncurrent liabilities
Other noncurrent liabilities were significantly higher by 15% or ₱59 million due to recognition of deferred output tax related to sale of Baguio log homes for the three months ended March 31, 2022.

1% increase in retained earnings
This pertains to net income attributable to equity holders of the Parent Company and reclassification adjustments on disposal of club shares amounting to ₱19.6 million and ₱82.9 million, respectively, in the first quarter of 2022.

0.3% decrease cumulative unrealized valuation gains on club shares for sale
Cumulative unrealized valuation gains on club shares for sale decreased by 0.3% or ₱67.9 million due to additional sale of club shares held by ABIRC.

	As of December 31		Variance	
	2021 (audited)	2020 (audited)	Amount	%
ASSETS				
Current Assets				
Cash and cash equivalents	**₱1,171,738**	₱769,657	402,080	52%
Trade and other receivables	**2,730,123**	1,110,323	1,619,800	146%
Land and development costs and parking lots for sale	**2,773,582**	3,193,200	(419,618)	-13%
Advances to related companies	**3,983,186**	4,111,702	(128,516	-3%
Club shares for sale	**1,071,311**	1,074,311	(3,000)	0%
Other current assets	**1,196,483**	1,204,504	(8,022)	0%
Total Current Assets	**12,926,423**	11,463,697	1,462,725	13%
Noncurrent Assets				
Investment in and advances to an associate	**12,349**	12,349	-	0%
Club shares for sale - net of current portion	**29,939,589**	30,437,589	498,000	-2%
Investment properties	**60,053,684**	58,776,917	1,276,768	2%
Property and equipment	**9,963,624**	10,006,474	(42,850)	0%
Other noncurrent assets	**176,463**	155,496	20,967	13%
Total Noncurrent Assets	**100,145,709**	99,388,825	756,885	1%
	₱113,072,132	₱110,852,522	2,219,609	2%
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	**₱3,126,804**	₱2,939,216	187,587	6%
Advances from related companies	**2,529,749**	2,342,111	187,638	8%
Current portion of customers' deposits	**180,932**	107,980	72,953	68%
Income tax payable	**624,353**	453,828	170,524	38%
Total Current Liabilities	**6,461,838**	5,843,135	618,702	11%
Noncurrent Liabilities				
Customers' deposits - net of current portion	**80,105**	120,519	(40,414)	-34%
Retirement liability	**94,809**	73,258	21,551	29%
Net deferred tax liabilities	**19,988,067**	22,641,102	(2,466,830)	-12%
Other noncurrent liabilities	**388,289**	183,221	205,068	112%
Total Noncurrent Liabilities	**20,551,271**	23,018,100	(2,466,830)	-11%
Total Liabilities	**27,013,109**	28,861,235	(1,848,128)	-6%
Equity Attributable to Equity Holders of the Parent Company				
Capital stock	**2,702,323**	2,702,323	-	0%
Additional paid-in capital	**12,909,581**	12,909,581	-	0%
Retained earnings	**61,016,927**	56,828,021	4,188,906	7%
Other comprehensive income:				
Cumulative unrealized valuation gain on club shares for sale	**23,136,499**	23,482,648	(346,149)	-1%
Revaluation surplus	**3,664,880**	3,428,674	236,206	-7%
Accumulated remeasurement gain on retirement liability	**34,744**	46,325	(11,581)	-25%
	103,464,954	99,397,572	4,068,382	4%
Less:				
Parent Company's shares held by a subsidiary	**16,881,220**	16,881,220	-	0%
Cost of treasury shares	**524,283**	524,283	-	0%
	86,059,451	81,992,069	4,067,382-	5%
Noncontrolling interests	**(428)**	(782)	355	-45%
Total Equity	**86,059,023**	81,991,287	4,067,737	5%
	₱113,072,132	₱110,852,522	2,219,609	2%

Total assets of the Group increased by ₱2,219.6 million or 1% from ₱110,852.5 million as of December 31, 2020 to ₱113,072.1 million as of December 31, 2021.

52% Increase in Cash and Cash Equivalents
The increase in cash and cash equivalents is mainly attributable to collections of receivables and cash sales from buyers of villas, log homes and club shares.

146% Increase in Trade and Other Receivables
The increase in trade and other receivable is mainly due to increase in sale of log homes and club shares thru installment.

13% Decrease in Land and Development Costs and Parking Lots for Sale
Decrease in land and development and parking lots for sale is attributable to costs of real estate sold in 2021 but was offset by the additional costs to complete the unsold log homes.

3% Decrease in Advances to Related Companies
Decrease is due to cash advances to and reimbursement of expenses from related companies in the ordinary course of business.

1% Decrease in Other Current Assets
Decrease in other current assets is due to input tax and creditable withholding tax applied against the taxes on the sale of log homes and villas.

2% Decrease in Club Shares for Sale
Decrease in club shares for sale is due to decrease in fair value per "B1" Balesin club share from ₱4.5 million to ₱3.0 million. Decrease is also attributable to the club shares sold in 2021.

2% Increase in Investment Properties
This pertains to increase in the fair value of Silang, Makati Place, Baguio, Patnanungan and Balesin properties in 2021.

0.4% Decrease in Property and Equipment
Decrease in property and equipment mainly pertains to the. Depreciation expense of the Group as no property and equipment was sold or disposed during the year.

13% Increase in Other Noncurrent Assets
Increase in other noncurrent assets mainly pertains to increase in Right of Use Asset account as the new lease amount was recalculated due to renewal of contract.

Total liabilities of the Group amounted to ₱27,013.1 million and ₱28,861.2 million as of December 31, 2021 and 2020, respectively.

6% Increase in Trade and Other Payables
Increase is attributable to additional construction expenses related to additional sale of log homes.

8% Increase in Advances from Related Parties
Increase is attributable to additional fund transfers to the Group's advances from related parties.

68% Increase in Current Portion of Customers' Deposits and 38% Decrease in Customers' Deposits - Net of Current Portion
The net change in customer's deposits mainly pertains to forfeited customer's deposits of the Group in 2021.

38% Increase in Income Tax Payable
The increase is mainly attributable to tax payable relative to the higher number of units sold of Log Homes for the current year compared to the previous year.

29% Increase in Retirement Liability
The increase is attributable to additional retirement costs for the year 2021.

12% Decrease in Net Deferred Tax Liabilities
The decrease in the Net Deferred Tax Liabilities account is mainly attributable to the effect of CREATE Law lowering the Corporate Tax rate from 30% to 20% or 25%. The impact of CREATE Law on previous years' balances was applied to the current year's balanaces.

112% Increase in Other Noncurrent Liabilities
Increase is mainly due to deferred output tax of the uncollected portion from the sale of log homes and villas.

Total equity of the Group jumped by 1% or by ₱4,067.4 million from ₱81,991.3 million as of December 31, 2020 to ₱86,059.5 million as of December 31, 2021.

7% 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 2021.

1% Decrease in Cumulative Unrealized Valuation Gain on Club Shares for Sale
The decrease is attributable to unrealized valuation loss due decrease in the fair value per "B1" Balesin club share from ₱4.5 million to ₱3.0 million. Reclassification adjustments from this account to retained earnings relative to the sale of club shares also contributed to the decrease.

7% Decrease in Revaluation Surplus
This pertains to amortization of revaluation surplus of The Alpha Suites and the aircrafts of the Group in 2021.

Comparative Key Performance Indicators

	March 31, 2022 (unaudited)	2021 (audited)	2020 (audited)	2019 (audited)
(a) Total comprehensive income attributable to equity holders of the Parent Company (in thousands)	**₱115,327**	₱4,510,097	₱1,578,187	₱10,688,482
(b) Weighted average number of shares outstanding after the effect of stock split	**13,080,412,651**	13,080,412,651	13,166,860,073	14,573,224,623
Basic/diluted earnings per share (a/b)	**₱0.009**	₱0.345	₱0.120	₱0.733
(a) Total equity (in thousands)	**₱85,164,032**	₱86,059,023	₱81,991,287	₱80,830,328
(b) Total number of shares outstanding at end of year before the effect of stock split	**13,080,412,651**	13,080,412,651	13,080,412,651	14,573,224,630
Book value per share (a/b)	**₱6.511**	₱6.579	₱6.268	₱5.546
(a) Total assets (in thousands)	**₱111,941,905**	₱113,072,132	₱110,852,523	₱109,369,243
(b) Total equity (in thousands)	**85,164,032**	86,059,023	81,991,287	80,830,328
Asset-to-equity ratio (a/b)	**1.314**	1.314	1.352	1.353
(a) Total long-term debt (in thousands)	**₱–**	₱–	₱–	₱–
(b) Total equity (in thousands)	**85,164,032**	86,059,023	81,991,287	80,830,328
Debt-to-equity ratio (a/b)	**–**	–	–	–
(a) Total comprehensive income attributable to equity holders of the Parent Company (in thousands)	**₱115,327**	₱4,510,097	₱1,578,187	₱10,688,482
(b) Average total equity (in thousands)	**85,611,527**	84,025,155	81,410,808	75,450,233
Return on equity (a/b)	**₱0.001**	₱0.054	₱0.019	₱0.142

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

As of March 31, 2022, 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 from the period ended March 31, 2021.

3. <u>Financial Risk Management Objectives and Policies</u>

The Group's principal financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to related parties, loans payable and long-term debt. The main purpose of these financial instruments is to provide funds for the Group's operations. The Group has various financial instruments such as trade and other receivables, trade and other payables, customers' deposits and advances to and from related parties, which arise directly from its operations.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and manage the Group's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has exposure to credit risk, interest rate risk and liquidity risk from the use of its financial instruments. The Group's exposure to foreign currency risk is minimal as it does not normally enter into transactions in currencies other than its functional currency. The BOD reviews and approves the policies for managing each of these risks.

Credit Risk

The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the Parent Company, the Group does not offer credit terms without the specific approval of the Chief Finance Officer.

With respect to credit risk arising from the other financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades with recognized third parties and related parties, there is no requirement for collateral. There are no other concentrations of credit risk within the Group.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's exposure to interest rate risk relates primarily to its financial instruments with floating interest and/or fixed interest rates. Fixed rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk. Re-pricing of floating rate financial instruments is done every three to six months. Interest on fixed rate financial instruments is fixed until maturity of the instrument.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt subject to floating interest rates. The other financial instruments of the Group are noninterest-bearing and, therefore, not subject to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Management is responsible for liquidity, funding as well as settlement management. In addition, management oversees liquidity and funding risks, and related processes and policies. The

Group manages its liquidity risk based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The Group also maintains a balance between continuity of funding and flexibility. The policy of the Group is to first exhaust lines available from affiliated companies before local bank lines are availed of. The Group seeks to manage its liquid funds through cash planning on a weekly basis. The Group uses historical figures and experiences and forecasts from its collections and disbursements. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities. Also, the Group only places funds in the money market, which are exceeding the Group requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

D. GENERAL NATURE AND SCOPE OF BUSINESS

1. Business Indicators

Alphaland Corporation (ALPHA or Parent Company) is a holding company incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 19, 1990. The principal business of ALPHA and its subsidiaries (collectively referred to as the "Group") is real property development.

The registered office address of ALPHA is Alphaland Makati Place, 7232 Ayala Ave. ext. cor. Malugay Street, Makati City.

ALPHA's Legal Subsidiaries as at March 31, 2022 and December 31, 2021

Company	*Place of Incorporation*	*Nature of Business*	*Percentage of Ownership 2020*	*2019*
Alphaland Southgate Tower, Inc. (ASTI)	Philippines	Real property development	**100**	100
Alphaland Balesin Island Resort Corporation (ABIRC)	Philippines	Real property development	**100**	100
Alphaland Makati Place, Inc. (AMPI) [(a)]	Philippines	Real property development	**100**	100
Alphaland Baguio Mountain Log Homes, Inc. (ABMLHI)	Philippines	Real property development	**100**	100
Alphaland Balesin International Gateway, Inc. (formerly Alphaland Balesin Gateway, Inc.) (ABIGI)	Philippines	Real property development	**100**	100
Alphaland Reclamation Corporation (ARC)	Philippines	Real property development	**100**	100
2258 Blue Holdings, Inc.(Blue Holdings) [(a)]	Philippines	Holding company	**100**	100
Alphaland Southgate Restaurants, Inc. (ASRI) [(a)]	Philippines	Restaurant operations	**100**	100
Alphaland International, Inc. (AII)	Philippines	Holding company	**100**	100
Alphaland Aviation, Inc. (AAI)	Philippines	Aviation	**100**	100
Alphaland Aviation - Pampanga, Inc. (AAPI) [(b)]	Philippines	Aviation	**100**	100
Aegle Wellness Center, Inc. (AWCI)	Philippines	Wellness center	**100**	100
Alphaland International, Inc. - BVI	British Virgin Islands	Holding company	**100**	100
Alphaland International, Inc. - Seychelles	Seychelles	Holding company	**100**	100
Superface Enterprises Limited	Hongkong	Holding company	**100**	100
Aegle Drugstore Inc. (ADI) [(c)]	Philippines	Pharmacy	**100**	100
Choice Insurance Brokerage, Inc. (CIBI) [(e)]	Philippines	Insurance brokerage	**100**	100
Alphaforce Security Agency, Inc. (ASAI) [(f)]	Philippines	Security agency	**80**	80
Redstone Mountain Holdings Inc. (RMHI)[(g)]	Philippines	Holding company	**100**	100

Company	Place of Incorporation	Nature of Business	Percentage of Ownership 2020	2019
Lodgepole Holdings, Inc. (LHI) [(g)]	Philippines	Holding company	**100**	100
Mt. Baguio Holding Estates Inc. (MBHEI) [(g)]	Philippines	Holding company	**100**	100
Top of the Alpha, Inc. (Top of the Alpha) [(d)]	Philippines	Restaurant operations	**100**	100
The Alpha Suites, Inc. (Alpha Suites) [(d)]	Philippines	Real estate company	**100**	100
Pinecrest Holdings, Inc. (PHI) [(g)]	Philippines	Holding company	**100**	100

(a) Through ASTI
(b) Through AAI
(c) Through AMPI; Incorporated in 2017
(d) Through AMPI; Incorporated in 2018
(e) Through Blue Holdings
(f) Associate in 2016
(g) Incorporated in 2018

Changes in Group Structure during 2018 and 2017; none in 2021, 2020 and 2019

a. ADI was incorporated and registered with the Philippine SEC on December 22, 2017 primarily to engage in the business of retailing or wholesaling of pharmaceutical products, medicines, foodstuffs and groceries.

b. Blue Holdings initially subscribed to 15,749,996 common shares of CIBI representing 70% of its outstanding shares in November 2012. In October 2017, Blue Holdings purchased additional 6,000,000 common shares from an existing shareholder for ₱5.0 million resulting to an increase in ownership of CIBI to 97%. In December 2018, the remaining interest was obtained by Blue Holdings making CIBI its wholly-owned subsidiary.

   CIBI was incorporated and registered with the Philippine SEC on November 6, 2012 primarily to engage, conduct, carry on and maintain insurance business, to act as a broker, and to do other related activities.

c. ALPHA initially subscribed to 79,999 common shares of ASAI representing 40% of its outstanding shares in March 2011, which was then accounted for as an associate. In October 2017, ALPHA purchased additional 79,999 common shares from an existing shareholder for ₱ 11.2 million increasing its ownership of ASAI to 80%.

   ASAI was incorporated and registered with the Philippine SEC on March 18, 2011 primarily to engage in the business of providing security and investigation services to private institutions and government organizations.

d. Top of the Alpha was incorporated and registered with the Philippine SEC on May 21, 2018 primarily to establish, maintain and operate restaurants, coffee shops, refreshment parlors and cocktail lounge.

e. Alpha Suites was incorporated and registered with the Philippine SEC on June 11, 2018 primarily to deal and engage in the real estate business in all its aspects; to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, all kinds of real estate projects.

f. RMHI, LHI, MBHEI and PHI were incorporated and registered with the Philippine SEC primarily to invest in, purchase, or otherwise acquire and own, hold, 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. These entities were incorporated in 2018.

Significant Operating Subsidiaries

a. ASTI was incorporated and registered with the Philippine SEC on May 29, 2007 as Alphaland Corporation. The Philippine SEC approved the change in its corporate name to "Alphaland Development, Inc." on December 28, 2009 and then to "Alphaland Southgate Tower, Inc." on October 15, 2015.

   ASTI's primary purpose is to engage in real property acquisition and development. ASTI's main property is a 20-storey office tower building with a six-storey podium shopping mall known as Alphaland Southgate Tower, which was sold in March 2019.

b. ABIRC was incorporated and registered with the Philippine SEC on May 26, 2010 primarily 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).

c. AMPI was incorporated 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 to "Alphaland Makati Place, Inc."

   AMPI's primary purpose is to acquire by exchange of shares, purchase and lease a 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 the 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 two (2) high end residential towers and one (1) corporate tower 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. The Alpha Suites, Inc. (TAS), 100%-owned by AMPI, was incorporated in the Philippines and registered with the Philippine SEC on June 11, 2018 primarily to deal and engage in the real estate business in all its aspects; to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent, lease or otherwise deal in and disclose of, for itself or for others all kinds of real estate projects. In 2018, the company started its commercial operations catering the serviced residences activity of AMPI using a number of its condominium units.

e. ABMLHI was incorporated and registered with the Philippine SEC on January 17, 2013 as Alphaland Holdings Company, Inc. On September 7, 2016, the Philippine SEC approved the change in corporate name to "Alphaland Baguio Mountain Log Homes, Inc."

ABMLHI's primary purpose is to deal and engage in the real estate business in all its aspects; to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent, or otherwise deal in and dispose of, for itself or for others, all kinds of real estate projects, involving commercial, industrial, urban, residential or other kinds of real property, improved or unimproved, with or to such persons and entities and under such terms and conditions as may be permitted by law.

f. AAI and AAPI were incorporated and registered with the Philippine SEC on July 31, 2012 and December 5, 2016, respectively, primarily to engage in 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.

Major Sources of Funds

Operations. The Group generates funds primarily from sale of Baguio Mountain Lodges, and Balesin Private Villas; from leasing operations of Alphaland Makati Place Mall and Corporate Tower, and; from the operation of the serviced residences of The Alpha Suites that commenced in the first half of 2018.

The Group also generates funds from secondary sale of membership shares of completed Club projects, namely, Alphaland Balesin Island Club and The City Club at Alphaland Makati Place.

Borrowings. ALPHA, ABICI, ABIRC, AMPI and ASTI has an Omnibus Loan and Security Agreement (OLSA) with BDO Unibank, Inc. (BDO) for a loan facility of ₱6,726.0 million for the purpose of: (a) refinancing the Group's loans; (b) financing new and on-going projects and (c) providing additional working capital for the Group. The outstanding balance of the loan was assigned to the PBCOM Trust and Wealth Management Group on January 23, 2019 and subsequently prepaid in full on March 15, 2019.

AAPI and AAI both entered into an Amortized Commercial Loan (ACL) agreement with BDO Leasing and Finance, Inc. (BDOLFI) for a loan facility of ₱265.2 million and ₱309.0 million, respectively, for the purpose of financing the acquisition of two ATR72 Turboprop Aircrafts (MSN 666 and MSN 678) and a replacement engine for MSN 678 . The outstanding balance of the loans for the acquisition of MSN 666 and replacement engine for MSN 678 were prepaid in full on March 21, 2019.

Contract To Sell (CTS) Financing. ABMLHI obtained a CTS financing facility with BDO amounting to ₱500.0 million for the purpose of refinancing the company's CTS receivables under the terms and conditions of a Memorandum of Agreement (MOA) dated October 30, 2018 between BDO and ABMLHI.

Aggregate availments under the facility amounted to ₱382.7m as of December 31, 2018. All loan availments were prepaid in full in 2019.

2. Participation in Bankruptcy, Receivership or Similar Proceedings

There is no bankruptcy, receivership or similar proceedings involving the Company.

3. Competition

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.

4. Customers

The Company and its subsidiaries are not dependent on any single customer or on a few customers.

5. Intellectual Property

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
3. A TASTE OF FRANCE and logo, with IPO Registration No. 4-2014-00012033 dated 25 June 2015
4. BALESIN 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 BALESIN 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 BALESIN 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

6. Research and Development Activities

The Company 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 Company in connection with these activities are not material.

7. Compliance with Environmental Laws

As the Group is engaged in and operates an environmentally critical project, it must comply with laws prescribed and regulated by the Department of Environment and Natural Resources ("DENR"). Under Presidential Decree No. 1586, any person undertaking or operating any environmentally critical project or area, as may be declared by the President of the Philippines, must first secure an Environmental Compliance Certificate ("ECC") from the DENR. An ECC is a document certifying that the project will not cause significant negative environmental impact and the proponent will undertake preventive, mitigating and enhancement measures to protect and rehabilitate the environment.

As a real estate developer, the Group is required to secure permits and licenses from the different agencies of the national government and local government units. These permits include an environmental compliance certificate, building permits and occupancy permit. 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.

8. Employees

AMPI provides the management and administrative support such as legal, finance, marketing, and human resource requirements of the Group. AMPI has a total manpower complement of 187 employees as of December 31, 2021 classified as:

Executives/Managers/Supervisors	102
Staff	85

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

9. Risk Factors

ALPHA's profitability is dependent on the performance of its subsidiaries.

10. 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 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 406 hectares. Of this total, approximately 98 hectares in 2017 and 2016 was committed for transfer 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.

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.

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 8, 2021, January 21, 2020, October 22, 2018 is at ₱11,900 per square meter or a total of ₱7.4 billion, ₱10,500 per square meter or a total of ₱6.5 billion, and ₱9,000 per square meter or a total of ₱4.7 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 as at December 31, 2020 and 2019, respectively.

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.

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 2018, the Group acquired 42.2 hectares with a carrying amount of P31.7 million. This brings the total land ownership to 753.2 hectares as at December 31, 2020 and 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 is based on valuations performed by accredited independent appraisers. As at December 31, 2020, 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.

11. Legal Proceedings

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.

As of March 31, 2022, the Company is a party to the following legal proceedings:

1. *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 P336,875.00. 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 Supreme Court ruled in favor of Agustin and affirmed with modification the ruling of the CA in the

case docketed as CA-G.R. SP No. 130198. Alphaland Corporation then filed a Motion for Reconsideration which remains pending for resolution.

2. *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.

E. MARKET PRICE OF AND DIVIDENDS ON THE COMPANY'S COMMON EQUITY

1. Market Price of Shares

On September 8, 2014, the PSE issued a resolution delisting the Company and mandated the Company to hold a tender offer to buy all the shares of its retail/non-strategic shareholders. On October 17, 2014, the Company completed its tender offer to 2,672,789 Company shares, reacquired through ASTI, equivalent to P24.2 million. The PSE also prohibited the Company from applying for relisting within a period of five years from the effective date of delisting. October 2019 marks the end of the five-year recess, thereby allowing the Company to relist with the PSE.

2. Holders

a. Number of Shareholders of Each Class of Common Security as of March 31, 2022:

The Corporation has 89 shareholders holding common shares as of **March 31, 2022**.

b. The Top 20 Registered Stockholders of the Corporation as of March 30, 2021 are:

		Citizenship	No. of Shares	%
1.	Alphaland Development, Inc.	Filipino	13,792,109,780	51.06%
2.	RVO Capital Ventures Corporation	Filipino	8,426,567,460	31.20%
3.	Boerstar Corporation	Filipino	1,677,884,300	6.21%
4.	Red Epoch Group Ltd.	Hongkong	961,134,130	3.56%
5.	Fine Land Limited	Filipino	890,000,000	3.30%
6.	Azurestar Corporation	Filipino	280,626,360	1.04%
7.	Noble Care Management Corporation	Filipino	145,916,470	0.54%

8.	Arculli, Derek	Filipino	100,000,000	0.37%
9.	Citadel Investments Limited	Filipino	100,000,000	0.37%
10.	Major Holdings Corporation	Filipino	90,118,820	0.33%
11.	Major Properties, Inc.	Filipino	73,881,180	0.27%
12.	Loustar Corporation	Filipino	55,641,840	0.21%
13.	Powerventures, Inc.	Filipino	54,900,230	0.20%
14.	Galaxyhouse, Inc.	Filipino	47,575,450	0.18%
15.	Crystalventures, Inc.	Filipino	47,198,420	0.17%
16.	Towermill Capital Ventures Corporation	Filipino	47,112,770	0.17%
17.	Gemplace Resources, Inc.	Filipino	46,877,410	0.17%
18.	Summer Wind Capital Ventures Corporation.	Filipino	41,791,630	0.15%
19.	Mega Access Capital Ventures Inc.	Filipino	25,205,930	0.09%
20.	Globalcentric Corporation	Filipino	25,118,000	0.09%

3. <u>Dividends</u>

During the special meeting of the Board of Directors of the Company held on July 30, 2021, the Board approved the declaration of cash dividends (out of the unrestricted and unappropriated retained earnings of the Company as of December 31, 2020) at Php0.04 per share in favor of holders of common shares of the Company as of the Record Date, July 15, 2021, payable on or before August 4, 2021

There are no restrictions on the Corporation that limit the payment of dividends on Common shares. The Company has re-invested its retained earnings for working capital requirements as well as the expansion of its operations and facilities.

4. <u>Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction</u>

Within the last three years, the Company entered into the following share subscription agreements:

Date of Subscription	*Subscriber*	*Number of Shares Subscribed*	*Total Subscription Price (in PhP)*
January 2, 2020	Crystalventures, Inc.	47,198,420	224,479,349
January 2, 2020	Earthlight, Inc.	25,061,400	119,294,209
January 2, 2020	Galaxyhouse, Inc.	47,575,450	226,082,227
January 2, 2020	Gemsplace Resources, Inc.	46,877,410	222,765,069
January 2, 2020	Globalcentric Corporation	25,118,000	119,463,179
January 2, 2020	Loustar Corporation	55,641,840	264,414,318
January 2, 2020	Mega Access Capital Ventures, Inc.	25,205,930	119,982,187
January 2, 2020	Powerventures, Inc.	54,900,230	260,890,144
January 2, 2020	Redcrest Holdings Corporation	24,641,230	117,097,022
January 2, 2020	Regenstar Holdings Corporation	25,034,140	119,164,443

January 2, 2020	Summer Wind Capital Ventures Corporation	41,791,630	198,597,048
January 2, 2020	Towermill Capital Ventures Corporation	47,112,770	223,883,517

Other than the foregoing, there were no recent sales of unregistered or exempt securities including recent issuances of securities constituting an exempt Transaction.

F. COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICE

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 projects.

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 is 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 it corporate performance and accountability.

To appraise the performance of the Board, the Company uses the evaluation method of self-assessment and feedback review based on the following criteria:

ii. Organization and Dynamics, including mix of skills, knowledge, diversity, experience and independence
iii. Efficiency and Effectiveness, including individual performance of each member and clarity of purpose;
iv. Direction and Values including the quality of leadership and relationships between and among members;
v. Risk Management and Governance;
vi. Strategic Resource Allocation;
vii. Succession Planning; and

viii. Business Performance, including the level and quality of reporting measures.

No deviation from the Company's Manual Code of Corporate Governance has been noted. The Company's Manual on Corporate Governance was amended on September 30, 2020.

Unaudited Consolidated Interim Financial Statements as at and for the Three Months Period Ended March 31, 2022 and Audited Consolidated Financial Statements as of and for the Year Ended December 31, 2021

ALPHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands, Except for Book Value per Share)

	March 31, 2022 Unaudited	December 31, 2021 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	**₱602,603**	1,171,738
Trade and other receivables	**2,522,950**	2,730,123
Land and development costs and parking lots for sale	**2,757,340**	2,773,582
Advances to related companies	**3,836,367**	3,983,186
Club shares for sale	**1,054,150**	1,071,311
Other current assets	**1,266,133**	1,196,483
Total Current Assets	**12,039,543**	12,926,423
Noncurrent Assets		
Investment in and advances to an associate	**12,349**	12,349
Club shares for sale - net of current portion	**29,892,250**	29,939,589
Investment properties	**59,780,178**	60,053,684
Property and equipment	**10,047,190**	9,963,624
Other noncurrent assets	**170,395**	176,463
Total Noncurrent Assets	**99,902,362**	100,145,709
	₱111,941,905	₱113,072,132
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	**₱2,363,916**	₱3,126,804
Advances from related companies	**2,244,432**	2,529,749
Customers' deposits	**126,955**	180,933
Income tax payable	**143,922**	624,352
Total Current Liabilities	**4,879,226**	6,461,838
Noncurrent Liabilities		
Customers' deposits - net of current portion	**81,859**	80,105
Retirement liability	**27,648**	94,809
Net deferred tax liabilities	**21,341,876**	19,988,067
Other noncurrent liabilities	**447,265**	388,289
Total Noncurrent Liabilities	**21,898,648**	20,551,271
Total Liabilities	**26,777,874**	27,013,109

(Forward)

	March 31, 2022 Unaudited	December 31, 2021 Audited
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	**₱2,702,323**	₱2,702,323
Additional paid-in capital	**12,909,581**	12,909,581
Retained earnings	**60,439,329**	61,016,927
Other comprehensive income:		
Cumulative unrealized valuation gains on club shares for sale	**23,091,328**	23,136,500
Revaluation surplus	**3,428,674**	3,664,880
Accumulated remeasurement gain on retirement liability	**(1,060)**	34,744
	102,570,175	103,464,954
Less:		
Parent Company's shares held by a subsidiary	**16,881,220**	16,881,220
Cost of treasury shares	**524,283**	524,283
	85,164,672	86,059,451
Noncontrolling interests	**(640)**	(428)
Total Equity	**85,164,032**	86,059,023
	₱111,941,905	₱113,072,132
Book value per share	**₱6.511**	₱6.579

ALPHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except for Earnings per Share)

	For the Three Months Ended March 31	
	2022	2021
	(Unaudited)	(Unaudited)
REVENUES		
Real estate sold	**₱380,591**	₱88,248
Rental income	**74,016**	170,463
Service income	**128,095**	137,266
Interest income	**3,690**	3,933
Others	**43,927**	13,329
	630,319	413,238
COSTS AND EXPENSES		
Cost of services	**144,059**	150,417
Cost of real estate sold	**179,529**	58,534
General and administrative	**150,827**	180,971
	474,415	389,922
OTHER INCOME (EXPENSES)		
Other gains (losses) – net	**30**	1,000
	30	1,000
INCOME BEFORE INCOME TAX	**155,934**	24,317
PROVISION FOR INCOME TAX		
Current	–	4,177
Deferred	–	–
	4,177	4,177
NET INCOME	**20,140**	20,140
OTHER COMPREHENSIVE INCOME		
Not to be reclassified to profit or loss in subsequent years:		
Revaluation increase	–	–
Income tax effect	–	–
	–	–
Unrealized valuation gain on club shares for sale	**20,050**	3,000
Income tax effect	**(3,008)**	(450)
	17,043	2,550
Remeasurement gain(loss) on retirement liability	**644**	(1,643)
	17,687	907
TOTAL COMPREHENSIVE INCOME	**₱173,621**	₱21,047
Net income attributable to:		
Equity holders of the Parent Company	**₱155,791**	₱19,551
Noncontrolling interests	**143**	590
	₱155,934	₱20,140
Total comprehensive income attributable to:		
Equity holders of the Parent Company	**₱173,374**	₱20,458
Noncontrolling interests	**247**	590
	₱173,621	₱21,047

ALPHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	For the Three Months Ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
CAPITAL STOCK		
Balance at beginning and of period	**₱2,702,323**	₱2,702,323
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning and end of period	**12,909,581**	12,909,581
RETAINED EARNINGS		
Balance at beginning of period	**59,850,945**	56,828,021
Net income	**155,934**	19,551
Reclassification adjustments on disposal of club shares for sale	**432,450**	82,883
Balance at end of period	**60,439,329**	56,930,455
OTHER COMPREHENSIVE INCOME		
Cumulative Unrealized Valuation Gain on Club Shares for Sale		
Balance at beginning of period	**23,124,481**	23,482,648
Reclassification adjustments on disposal of clubs hares for sale	**(50,196)**	(70,451)
Unrealized valuation gain (loss)	**17,043**	2,550
Balance at end of period	**23,091,328**	23,414,747
Revaluation Surplus		
Balance at beginning and end of period	**3,428,674**	3,428,674
Accumulated Remeasurement Gain on Retirement Liability		
Balance at beginning of period	**34,744**	46,325
Remeasurement loss	**(35,804)**	(1,770)
Balance at end of period	**(1,060)**	44,555
	26,518,942	26,887,976
PARENT COMPANY'S SHARES HELD BY A SUBSIDIARY		
Balance at beginning and end of period	**(16,881,220)**	(16,881,220)
TREASURY SHARES		
Balance at beginning and end of period	**(524,283)**	(524,283)
NONCONTROLLING INTERESTS		
Balance at beginning of period	**(783)**	(784)
Share in net income (loss)	**143**	590
Balance at end of period	**(640)**	(194)
	₱85,164,032	₱82,024,638

ALPHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	For the Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱155,934**	₱24,317
Adjustments for:		
Depreciation and amortization	**62,216**	64,199
Interest income	**(3,690)**	(3,933)
Unrealized foreign exchange losses (gains)	**(30)**	(1,000)
Operating income before working capital changes	**214,430**	83,583
Decrease (increase) in:		
Trade and other receivables	**344,123**	(450,096)
Land and development costs and parking lots for sale	**16,242**	2,019
Other current assets	**(69,650)**	(27,424)
Increase in:		
Trade and other payables	**(762,888)**	80,195
Customers' deposits	**(52,223)**	(1,643)
Retirement liability	**(66,517)**	(4,689)
Net cash generated from (used for) operations	**(376,483)**	(318,055)
Income taxes paid	**(480,430)**	(677)
Interest received	**3,690**	3,933
Net cash provided by (used in) operating activities	**(853,223)**	(314,799)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from:		
Sale of club shares for sale	**84,550**	112,400
Disposal of property and equipment	–	23,529
Decrease (increase) in:		
Advances to related companies	**146,818**	377,773
Other noncurrent assets	**6,068**	1,047
Additions to:		
Property and Equipment	**(145,782)**	–
Investment Properties	**290,869**	–
Deferred Tax Liabilities	**127,877**	–
Net cash provided by (used in) investing activities	**510,400**	514,749
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in:		
Advances from related companies	**(285,317)**	(111,955)
Other noncurrent liabilities	**58,975**	90,852
Net cash provided by (used in) financing activities	**(226,342)**	(21,103)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**30**	1,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(569,135)**	179,848
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
Cash and cash equivalents	**1,171,738**	769,657
Restricted cash	**9,038**	10,142
	1,181,880	779,799
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash and cash equivalents	**602,603**	949,505
Restricted cash	**9,038**	10,142
	₱959,647	₱959,647

ANNEX "A"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARGARITO B. TEVES,** Filipino, of legal age, with address at Great Wall Advertising Building, 136 Yakal Street, Makati City, after having been sworn to in accordance with law, hereby depose and state that:

1. I am an Independent Director of Alphaland Corporation (the "Corporation").

2. I am also affiliated with the following companies:

Company	Position/Relationship	Period of Service
P.J. Lhuillier Group of Companies	Member, Strategic Committee	February 2015 to present
Petron	Independent Director	May 20, 2014 to present
Atlantic Aurum Investments Philippines Corporation	Independent Director,	July 19, 2013 to present
San Miguel Corporation	Independent Director	June 14, 2012 to present
The Wallace Business Forum	Managing Director	March 1, 2012 to present
The City Club at Alphaland Makati Place, Inc.	Independent Director	2011 to Present
Atok-Big Wedge Co., Inc.	Independent Director	2011 - Present
Alphaland Balesin Island Club, Inc.	Independent Director	2011 – Present
Pampanga Sugar Development Co (PASUDECO)	Director	July 2011 – Present

3. I possess all the qualifications and none of the disqualificatios to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code ("SRC")and its Implementing Rules and Regulations ("IRR").

4. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the SRC and its IRR.

5. I shall inform the Corporate Secretary /Assistant Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this _____day of APR 2 5 2022 at Makati City.

MARGARITO B. TEVES
Affiant

SUBSCRIBED AND SWORN to before me this APR 2 5 2022 at Makati City, affiant exhibiting to me his TIN No. 105-549-310.

GEORGE DAVID D. SITON
Appointment No. M-332
Notary Public for Makati City
Until December 31, 2022
Executive Bldg. Center Makati Ave.
cor. Jupiter St., Makati City
Roll of Attorneys No. 68402
MCLE Compliance No. VI-0021936-3-29-2019
IBP No. 002282 / Lifetime Member / 5-8-17
PTR No. 2235859 / 01.05.2021 / Parañaque City

Doc No. 341
Page No. 70
Book No. 126
Series on 2022

ANNEX "B"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOSE RAMON T. VILLARIN**, Filipino, of legal age and a resident of Jesuit Residence, Ateneo de Manila University Campus, Loyola Heights, 1108 Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **ALPHALAND CORPORATION**

2. I am affiliated with the following companies or organizations (*including Government-Owned and Controlled Corporations*):

Company/Organization	*Position/Relationship*	*Period of Service*
Manila Observatory	Executive Director	2021 - 2024
Ateneo de Manila Univ	Professor	2021 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ALPHALAND CORPORATION**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of **ALPHALAND CORPORATION** and/or its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (*where applicable*)

Name of Director/Officer/ Substantial Shareholder	*Company*	*Nature of Relationship*

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (*as the case may be*):

Offense Charged/Investigated	*Tribunal or Agency Involved*	*Status*

6. (*For those in government service/affiliated with a government agency or GOCC*) I have the required permission from *(head of the agency/department)* to be an independent director in **ALPHALAND CORPORATION**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **ALPHALAND CORPORATION** of any changes in the abovementioned information within five days from its occurrence.

Done, this 16 April 2022, at Quezon City.

JOSE RAMON T. VILLARIN
Affiant

SUBSCRIBED AND SWORN to before me this APR 25 2022 at MAKATI CITY, affiant personally appeared before me and exhibited to me the following competent evidence of his/her identity: TIN No. 237-436-159.

Doc. No. 342;
Page No. 70;
Book No. 126;
Series of 2022;

GEORGE DAVID D. SITON
Appointment No. M-332
Notary Public for Makati City
Until December 31, 2022
Executive Bldg. Center Makati Ave.
cor. Jupiter St., Makati City
Roll of Attorneys No. 68402
MCLE Compliance No. VI-0021936-3-29-2019
IBP No. 002282 / Lifetime Member / 5-8-17
PTR No. 2235859 / 01.05.2021 / Parañaque City

ANNEX "C"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FLORENTINO M. HERERRA III**, Filipino, of legal age and a resident of 888 Yale Street, Wack Wack Village, Mandaluyong City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **ALPHALAND CORPORATION**

2. I am affiliated with the following companies or organizations (*including Government-Owned and Controlled Corporations*):

Company/Organization	*Position/Relationship*	*Period of Service*
Herrera Teehankee & Cabrera Law Offices	Founding Partner	June 1986 – Present
Philippine Airlines, Inc.	Director	October 2014 – Present
Lufthansa Technik Philippines, Inc.	Director	November 2017 – Present
MacroAsia Corporation	Corporate Secretary	December 2014 – Present
Allianz PNB Life Insurance Inc.	Corporate Secretary	April 2016 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ALPHALAND CORPORATION**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of **ALPHALAND CORPORATION** and/or its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (*where applicable*)

Name of Director/Officer/ Substantial Shareholder	*Company*	*Nature of Relationship*
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (*as the case may be*):

Offense Charged/Investigated	*Tribunal or Agency Involved*	*Status*
N/A		

6. (*For those in government service/affiliated with a government agency or GOCC*) I have the required permission from (*head of the agency/department*) to be an independent director in **ALPHALAND CORPORATION**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **ALPHALAND CORPORATION** of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 25 2022, at MAKATI CITY.

FLORENTINO M. HERERRA III
Affiant

SUBSCRIBED AND SWORN to before me this APR 25 2022 at MAKATI CITY, affiant personally appeared before me and exhibited to me the following competent evidence of his/her identity: TIN No. 106-098-926.

GEORGE DAVID D. SITON
Appointment No. M-332
Notary Public for Makati City
Until December 31, 2022
Executive Bldg. Center Makati Ave.
cor. Jupiter St., Makati City
Roll of Attorneys No. 68402
MCLE Compliance No. VI-0021936-3-29-2019
IBP No. 002282 / Lifetime Member / 5-8-17
PTR No. 2235859 / 01.05.2021 / Parañaque City

Doc. No. 343;
Page No. 70;
Book No. 126;
Series of 2022;

ANNEX "D"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GILBERTO C. TEODORO, JR.**, Filipino, of legal age and a resident of Nr. 18, Anahaw Road, North Forbes Park, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **ALPHALAND CORPORATION**

2. I am affiliated with the following companies or organizations (*including Government-Owned and Controlled Corporations*):

Company/Organization	*Position/Relationship*	*Period of Service*
Indophil Resources, Inc.	Chairman of the Board	Feb. 15, 2017 to present
Sagittarius Mines, Inc.	Chairman	Aug. 2015 to present
Philippine Geothermal Production Co., Inc.	Director	2012 to present
Canlubang Sugar Estate	Director	1991 to present
Bolam Holdings, Inc.	Chairman / Owner	2015 to present
Branko Holdings, Inc.	Chairman / Owner	2015 to present
WIPSIAE Holdings, Inc.	Chairman / Owner	2015 to present
Philippine Stock Exchange	Independent Director	July 2021

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ALPHALAND CORPORATION**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of **ALPHALAND CORPORATION** and/or its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (*where applicable*)

Name of Director/Officer/ Substantial Shareholder	*Company*	*Nature of Relationship*
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (*as the case may be*):

Offense Charged/Investigated	*Tribunal or Agency Involved*	*Status*
N/A	N/A	N/A

6. (*For those in government service/affiliated with a government agency or GOCC*) I have the required permission from (*head of the agency/department*) to be an independent director in **ALPHALAND CORPORATION**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **ALPHALAND CORPORATION** of any changes in the abovementioned information within five days from its occurrence.

Done, this MAKATI CITY, at APR 25 2022.

GILBERTO C.TEODORO, JR.
Affiant

SUBSCRIBED AND SWORN to before me this MAKATI CITY at APR 25 2022, affiant personally appeared before me and exhibited to me the following competent evidence of his/her identity: TIN No. 123-124-558.

Doc. No. 344;
Page No. 70;
Book No. 126;
Series of 2022;

GEORGE DAVID D. SITON
Appointment No. M-332
Notary Public for Makati City
Until December 31, 2022
Executive Bldg. Center Makati Ave.
cor. Jupiter St., Makati City
Roll of Attorneys No. 68402
MCLE Compliance No. VI-0021936-3-29-2019
IBP No. 002282 / Lifetime Member / 5-8-17
PTR No. 2235859 / 01.05.2021 / Parañaque City

ANNEX "E"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GREGORIO T. YU**, Filipino, of legal age and a resident of 10 Francisco Street, Corinthian Gardens, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **ALPHALAND CORPORATION**

2. I am affiliated with the following companies or organizations (*including Government-Owned and Controlled Corporations*):

Company/Organization	*Position/Relationship*	*Period of Service*
Auto Nation Group, Inc.	Chairman	Nov. 10, 2011 to present
CATS Automobile Corp.	Chairman	June 8, 2004 to present
American Motorcycles,Inc.	Chairman	Nov. 28, 2012 to present
Sterling Bank of Asia	Vice-Chairman and Director	April 18, 2017 to present
Glacier Megafridge, Incorporated	Director	January 28, 2021 to present
DITO CME Holdings Corporation	Director	December 1, 2016 to present
APO Agua Infrastructure	Director	January 1, 2014 to present
Philippine Airlines	Director	Dec. 1, 2011 to present
PAL Holdings Inc.	Director	Oct. 1, 2014 to present
Glyph Studios, Inc.	Director	Dec. 1, 2011 to present
Philippine Bank of Communications	Director	July 1, 2011 to present
Unistar Credit and Finance Corporation	Director	Jan. 1, 2012 to present
CATS Asian Cars, Inc.	Director	June 25, 2004 to present
Philequity Management, Inc.	Director	Aug. 1, 2013 to present
Vantage Equities Inc.	Director	Aug. 1, 2013 to present
E-Business Services Inc.	Director	Aug. 1, 2015 to present
Prople BPO Inc.	Director	Aug. 1, 2006 to present
Nexus Technologies, Inc.	Chairman/Director	May 1, 2012 to present
Jupiter Systems Inc.	Director	Oct. 1, 2001 to present
Wordtext Systems Inc.	Director	Sept. 1, 2001 to present
Ballet Philippines	Board Member	Jan. 1, 2009 to present
Manila Symphony Orchestra	Board Member	Sept. 1, 2009 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ALPHALAND CORPORATION**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of **ALPHALAND CORPORATION** and/or its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (*where applicable*)

Name of Director/Officer/ Substantial Shareholder	*Company*	*Nature of Relationship*

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (*as the case may be*):

Offense Charged/Investigated	*Tribunal or Agency Involved*	*Status*

6. (*For those in government service/affiliated with a government agency or GOCC*) I have the required permission from (*head of the agency/department*) to be an independent director in **ALPHALAND CORPORATION**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **ALPHALAND CORPORATION** of any changes in the abovementioned information within five days from its occurrence.

Done, this MAKATI CITY, at APR 25 2022.

GREGORIO T. YU
Affiant

SUBSCRIBED AND SWORN to before me this MAKATI CITY at APR 25 2022, affiant personally appeared before me and exhibited to me the following competent evidence of his/her identity: TIN No. 107-465-655.

Doc. No. 345;
Page No. 70;
Book No. 172;
Series of 2022;

GEORGE DAVID D. SITON
Appointment No. M-332
Notary Public for Makati City
Until December 31, 2022
Executive Bldg. Center Makati Ave.
cor. Jupiter St., Makati City
Roll of Attorneys No. 68402
MCLE Compliance No. VI-0021936-3-29-2019
IBP No. 002282 / Lifetime Member / 5-8-17
PTR No. 2235859 / 01.05.2021 / Parañaque City

ANNEX "F"

Board of Directors Meeting

2021

	Name	Date of Meeting	Remarks P-Present; A-Absent
1	Roberto V. Ongpin	July 30, 2021	P
2	Anna Bettina Ongpin		P
3	Eric O. Recto		P
4	Lorenzo V. Tan		P
5	Dennis A. Uy		P
6	Mario A. Oreta		P
7	Dennis O. Valdes		P
8	Francisco Ed. Lim		P
9	Juan Edgardo M. Angara		P
10	Jaime T. Bautista		P
11	Florentino M. Herrera III (Ind. Director)		P
12	Gilbert C. Teodoro (Ind. Director)		P
13	Margarito B. Teves (Ind. Director)		P
14	Jose Ramon T. Villarin, SJ (Ind. Director)		P
15	Gregorio T. Yu (Ind. Director)		P

ANNEX “F-1”

Executive Committee Meetings Attendance

2021

<table>
<tr><th>Name</th><th>Date of Meeting</th><th>Remarks
P-Present; A-Absent</th></tr>
<tr><td rowspan="6">Roberto V. Ongpin
Anna Bettina Ongpin
Dennis O. Valdes</td><td rowspan="3">March 3, 2022</td><td>P</td></tr>
<tr><td>P</td></tr>
<tr><td>P</td></tr>
<tr><td rowspan="3">April 6, 2022</td><td>P</td></tr>
<tr><td>P</td></tr>
<tr><td>P</td></tr>
</table>

ANNEX "G"

Directors Corporate Governance Seminar Attendance

2021

	Name	Service Provider	Title of Seminar	Date of Seminar
1	Dennis A. Uy	Risks, Opportunities, Assessment and Management (ROAM), Inc.	Corporate Governance	October 22, 2021
2	Mario A. Oreta	Philweb	Institute of Corporate Directors	April 28, 2022
3	Florentino M. Herrera III	SGV	Corporate Governance	August 26, 2021
4	Gregorio T. Yu	Center for Training and Development, Inc.	Tracing Good Corporate Governance for Effective and Efficient Management	July 23, 2021
5	Margarito B. Teves	SGV	Corporate Governance	September 23, 2021
6	Eric O. Recto	Aboitiz	2021 In-House Corporate Governance	September 8, 2021
7.	Jaime J. Bautista	Nickel Asia Corp.	NAC Group Annual Corporate Governance Seminar	September 29, 2021
8.	Francisco Ed. Lim	Institute of Corporate Directors	Advanced Corporate Governance Training	October 29, 2021
9.	Lorenzo V. Tan	Association of Bank Compliance Officers, Inc.	BSP Supervisory Assessment Framework to Replace the CAMELS and ROCA Rating Systems for BSP-Supervised Financial Institution	September 23, 2020

ANNEX "H"

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS

OF
ALPHALAND CORPORATION

Held at The City Club at Alphaland Makati Place, Inc.
Malugay Street, cor. Ayala Ave., Makati City
on 8 June 2021 at 5:00 pm

ATTENDANCE:

	No. of Shares	Percentage	
In Person:			
Roberto V. Ongpin	10	nil	
Mario A. Oreta	10	nil	
Dennis O. Valdes	10	nil	
Lorenzo V. Tan	10	nil	
Eric O. Recto	10	nil	
Juan Edgardo M. Angara	10	Nil	
Jaime J. Bautista	10	nil	
Francisco Ed. Lim	10	nil	
Jose Ramon T. Villarin	10	nil	
Florentino M. Herrera III	10	nil	
Gregorio T. Yu	10	nil	
Margarito B. Teves	10	nil	
By Proxy:			**In Favor of:**
Alphaland Southgate Tower, Inc. (formerly Alphaland Development, Inc.)	13,792,109,780	51.06%	Roberto V. Ongpin
RVO Capital Ventures Corp.	8,426,567,460	29.66%	Roberto V. Ongpin
Boerstar Corporation	1,677,884,300	6.21%	Roberto V. Ongpin
Azurestar Corporation	280,626,360	1.04%	Roberto V. Ongpin
Loustar Corporation	55,641,840	0.21%	Roberto V. Ongpin
Powerventures, Inc.	54,900,230	0.20%	Roberto V. Ongpin
Galaxyhouse, Inc.	47,575,450	0.18%	Roberto V. Ongpin
Crystalventures, Inc.	47,198,420	0.17%	Roberto V. Ongpin

Towermill Capital Ventures Corp.	47,112,770	0.17%	Roberto V. Ongpin
Gemsplace Resources, Inc.	46,877,410	0.17%	Roberto V. Ongpin
Summerwind Capital Ventures Corp.	41,791,630	0.15%	Roberto V. Ongpin
Noble Care Management Corporation	145,916,470	0.54%	Mario A. Oreta
Mega Access Capital Ventures, Inc.	25,205,930	0.09%	Roberto V. Ongpin
Globalcentric Corporation	25,118,000	0.09%	Roberto V. Ongpin
Earthlight, Inc.	25,061,400	0.09%	Roberto V. Ongpin
Regentstar Holdings Corporation	25,034,140	0.09%	Roberto V. Ongpin

I. CALL TO ORDER

The Chairman of the Board, Mr. Roberto V. Ongpin, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Jason J. Alba, recorded the proceedings.

Also in attendance were the following members of the Board of Directors of the Corporation:

Roberto V. Ongpin	Chairman of the Board/Director
Dennis O. Valdes	President / Director
Lorenzo V. Tan	Director
Eric O. Recto	Director and Vice Chairman
Mario A. Oreta	Director
Francisco Ed. Lim	Director
Juan Edgardo M. Angara	Director
Jaime J. Baustista	Director
Margarito B. Teves	Independent Director
Florentino M. Herrera II	Independent Director
Jose Ramon T. Villarin	Independent Director
Gregorio T. Yu	Independent Director

II. PROOF OF NOTICE AND CERTIFICATION OF QUORUM

The Corporate Secretary reported that notice of the meeting had been sent to all the stockholders as provided in the By-Laws of the Corporation and that there were present, in person and by proxy, stockholders owning at least 93.40% of the outstanding capital stock. The list of attendees and proxies is available at the offices of the Corporate Secretary of the Corporation. Atty. Alba certified that there was a quorum for the transaction of business.

III. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The next item on the agenda was the approval of the minutes of the previous annual meeting of the stockholders held on 30 July 2020, copies of which had been earlier distributed to the stockholders.

Upon motion duly made and seconded, the reading of the minutes of the previous meeting of stockholders was dispensed with and the same were unanimously approved.

IV. MANAGEMENT REPORT

The Chairman made a report on the status of the various projects being developed by the Corporation as a real estate developer.

Upon motion duly made and seconded, the stockholders unanimously approved the report of the President and made it part of the corporate records.

V. ELECTION OF DIRECTORS

The Corporate Secretary advised the body of the nominations he received for the Board of Directors. The Corporate Secretary then announced the nominations to the Board of Directors, as follows:

For Regular Directors:

1. Roberto V. Ongpin
2. Anna Bettina Ongpin
3. Mario A. Oreta
4. Dennis O. Valdes
5. Lorenzo V. Tan
6. Eric O. Recto
7. Francisco Ed. Lim
8. Dennis A. Uy
9. Juan Edgardo M. Angara
10. Jaime J. Bautista

For Independent Directors:

1. Margarito B. Teves
2. Jose Ramon T. Villarin

3. Florentino M. Herrera III
4. Gilberto C. Teodoro, Jr.
5. Gregorio T. Yu

There being no other nominees, on motion duly made and seconded, the shareholders approved the election of the foregoing nominees. The Corporate Secretary was then directed by the Chairman to cast the votes of all those present and represented at the meeting equally among the above-named individuals who were thereby unanimously elected as members of the Board of Directors for a term of one (1) year or until their successors have been elected and qualified.

III. APPOINTMENT OF EXTERNAL AUDITORS

Upon motion duly made and seconded, the stockholders approved the re-appointment of Reyes Tacandong & Co. as the external auditor of the Corporation for the fiscal year ending 31 December 2020.

IV. OTHER MATTERS

The Chairman then opened the floor for any questions or comments from the stockholders. None of the stockholders present or represented asked any questions.

V. ADJOURNMENT

There being no other matters to be discussed, upon motion duly made and seconded, the meeting was adjourned.

Certified Correct:

JASON J. ALBA
Corporate Secretary

ATTESTED CORRECT BY:

ROBERTO V. ONGPIN
Chairman of the Board

ANNEX "H-1"

Voting Tabulation Results

A.) APPROVAL OF MINUTES OF PREVIOUS ANNUAL STOCKHOLDERS MEETING HELD ON JULY 30, 2020

"Resolved, that the Stockholders of the Corporation hereby approve the Minutes of the Annual Stockholders' Meeting held on July 30, 2020

	Yes	***No***	***Abstain***
Approval of the Minutes of the Stockholders' Meeting held on July 30, 2020	**100%**	**0%**	**0%**

B.) APPROVAL OF CORPORATE ACTS

"RESOLVED, that all acts, resolution, and deeds of the Company's Board of Directors and its Committee, as well as that of its Management, from the Annual Stockholders' Meeting held on July 30, 2020 up to the date of this meeting be as they hereby are, confirmed, ratified and approved."

	Yes	*No*	*Abstain*
Approval of Corporate Acts	*100%*	*0%*	*0%*

C.) ELECTION OF DIRECTORS

"RESOLVED to elect the following as Directors of the Company to serve as such beginning today until their successors are elected and qualified:

	Yes	*No*	*Abstain*
Roberto V. Ongpin	100%	0%	0%
Eric O. Recto	100%	0%	0%
Anna Bettina Ongpin	100%	0%	0%
Dennis O. Valdes	100%	0%	0%
Mario A. Oreta	100%	0%	0%
Lorenzo V. Tan	100%	0%	0%
Juan Edgardo A. Angara	100%	0%	0%
Francisco Ed. Lim	100%	0%	0%
Dennis A. Uy	100%	0%	0%
Jaime J. Bautista	100%	0%	0%
Florentino M. Herrera III	100%	0%	0%
Gilberto C. Teodoro, Jr.	100%	0%	0%
Margarito B. Teves	100%	0%	0%
Jose T. Villarin, SJ	100%	0%	0%
Gregorio T. Yu	100%	0%	0%

D.) APPOINTMENT OF EXTERNAL AUDITOR

"RESOLVED, that the accounting firm of Reyes Tacandong & Co., be as they hereby are, re-appointed as external auditors of the Company for the fiscal year 2021."

	Yes	*No*	*Abstain*
Appointment of Reyes Tacandong & Co. as External Auditors	*100%*	*0%*	*0%*

E.) APPROVAL OF AUDITED FINANCIAL STATEMENTS

"RESOLVED, that the Company's Audited Financial Statement for the year ended December 31, 2020 be, as the same are hereby, approved."

	Yes	*No*	*Abstain*
Approval of the Audited Financial Statements as of the year ending December 31, 2020	*100%*	*0%*	*0%*

alphaland
CORPORATION

Jo-ann Mercado <jlmercado@alphaland.com.ph>

ALPHALAND CORPORATION_SEC FORM 17-A_10MAY2022

2 messages

Jo-ann Mercado <jlmercado@alphaland.com.ph> Tue, May 10, 2022 at 3:21 PM
To: ictdsubmission@sec.gov.ph, MSRD COVID19 <msrd_covid19@sec.gov.ph>
Bcc: "Frederick Angelo M. De Torres" <fmdetorres@alphaland.com.ph>, "Jennette M. Manlosa" <jmmanlosa@alphaland.com.ph>, "Jonamel I. Orbe" <jiorbe@alphaland.com.ph>

Gentlemen,

Please find the attached for submission.

Thank you.

ALPHA_AC SEC 17A (period covered 31Dec21)_for f...

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> Tue, May 10, 2022 at 3:21 PM
To: jlmercado@alphaland.com.ph

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
(Subject to Verification and Review of the Quality of the Attached Document)
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:
AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

https://apps010.sec.gov.ph

For your information and guidance.

C O V E R   S H E E T
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	Department requiring the report	Secondary License Type, If Applicable
1 7 - A		N / A

C O M P A N Y I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
corpsec@alphaland.com.ph	**(632) 5-337-2031**	**(0917) 100 4805**

No. of Stockholders	Annual Meeting	Calendar Year (Month / Day)
89	**Last Wednesday of May**	**December 31**

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number	Mobile Number
Ms. Cristina B. Zapanta	**cbzapanta@alphaland.com.ph**	**(632) 5-337-2031**	**(0917) 807 4700**

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, 2021**

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**
Province, Country or other jurisdiction of Incorporation or organization

6. (SEC Use Only)
Industry Classification Code

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	**27,008,993,720 (exclusive of 4,239,000 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	Book value Per Share as of December 31, 2021	Total Book Value
3,879,840,995	**P6.579**	**P25,526,360,271**

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) <u>Business of the Company</u>

(a) <u>Description of Registrant</u>

<u>ALPHA’s Significant Legal Subsidiaries as at December 31, 2021</u>

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. In March 2019, ALPHA sold the property for net proceeds of P4.5 billion to pay off all of its bank debt..

c. *Alphaland Makati Place, Inc. (AMPI), 100%-owned byASTI*, 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 byASTI*, 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), 100%-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 November 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. Blue Holdings acquired additional 750,000 shares for ₱0.8 million and 6,000,000 shares for ₱5.0 million from an existing shareholder in 2018 and 2017, respectively. As at December 31, 2018, CIBI is 100% owned by Blue Holdings.

(i) For the years ended December 31, 2021, 2020 and 2019, 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 clienteles 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, 2021, 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.

		(In Thousands)			
		2021		2020	
	Nature of Transactions	**Amount of Transactions**	**Outstanding Balances**	Amount of Transactions	Outstanding Balances
Trade and other receivables					
Trade					
Related companies under common key management	Air transport services	**₱160,348**	**₱323,890**	₱89,889	₱311,012
	Real estate sales	**–**	**–**		–
			323,890		311,012
(Forward)					
Nontrade					
Related companies under common key management	Capital expenditures, debt servicing	**151,610**	**204,075**		52,465
			₱527,965		₱363,477
Advances to					
Associate -					
AHEC	Reimbursement of expenses	**₱–**	**₱1,023**	₱–	₱1,023
Related companies under common key management	Reimbursement of expenses	**₱–**	**₱3,983,186**	₱584,598	₱4,111,702
Trade and other payables					
Trade					
Related companies under common key management	Acquisition of properties	**₱–**	**₱647,301**	₱–	₱647,301
Advances from related companies					
Related companies under common key management	Advances	**₱–**	**₱2,023,976**	₱–	₱2,023,976
	Association dues	**38,982**	**38,982**	162,514	162,514
	Purchase of assets and reimbursement of expenses	**311,170**	**466,791**	–	155,621
			₱2,529,749		₱2,342,111

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 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, 2020 and 2019 is due and demandable.

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. BALESIN 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 BALESIN 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 BALESIN 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**

AMPI 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, 2021 classified as follows:

Executives and Managers	102
Staff	85

AMPI 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. AMPI'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 8, 2021, January 21, 2020, October 22, 2018 is at ₱11,900 per square meter or a total of ₱7.4 billion, ₱10,500 per square meter or a total of ₱6.5 billion, and ₱9,000 per square meter or a total of ₱4.7 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 as at December 31, 2020 and 2019.

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 2018, the Group acquired 42.2 hectares with a carrying amount of P31.7 million. This brings the total land ownership to 753.2 hectares as at December 31, 2020 and 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 is based on valuations performed by accredited independent appraisers. As at December 31, 2020 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 P6,875,613.64 along with damages. A Consolidated Answer with Counterclaims has was 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 Php25,000,000 in moral damages, Php25,000,000 in exemplary damages and Php1,000,000 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 P336,875.00. 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, 2021, 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 complaint is for breach of trust with prayer for issuance of a writ of replevin. 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, received by the AMPI on 5 November 2019 and is now pending resolution.

b. *Sps. Robert Michael Doty and Beverly Doty, represented by their Attorney-in-fact, Charmaine Yasay v. Alphaland Makati Place, Inc.*, with the Housing and Land Use Regulatory Board Expanded National Capital Region Field Office docketed as HLURB Case No. REM-061616-15993. 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 Alphaland Makati Place, Inc. ("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 in the amount of P2,680,401.60 with interest at the rate of 6% per annum reckoned from the date of the filing of the instant action until fully paid. 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.

c. *Commissioner of Internal Revenue vs. Alphaland Makati Place, CTA EB No. 2292 (Alphaland Makati Place, Inc. vs. Commissioner of Internal Revenue,* docketed as CTA Case No. 9609). This case was originally an appeal filed by Alphaland Makati Place, Inc. (Petitioner) before the Court of Tax Appeals (CTA) in relation to the Final Decision on Disputed Assessment ("FDDA") dated 20 June 2016 issued by the Commissioner of the Bureau of Internal Revenue(CIR) 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. On January 15, 2020, the CTA issued a Decision CANCELLING and SETTING ASIDE the assessments and FDDA. The CIR moved for a reconsideration of the CTA Decision, which was denied by the CTA in its Resolution issued on June 15, 2020. The CIR then elevated the case to the CTA En Banc via Petition for Review, which petition is presently pending.

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

e. *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. As mentioned above, this Petition for Certiorari was consolidated with AMPI and ASTI's Petition for Review. On 30 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.

f. *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. As mentioned above, this Petition for Review was consolidated with AMPI and ASTI's Petition for Certiorari. On 30 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.

g. *Datem Inc. v. Alphaland Makati Place, Inc. and Alphaland Southgate Tower*, Inc., docketed as G.R. SP Nos. 242904-05. This is a Petition for Review filed by Datem before the Supreme Court, seeking the review and reversal of the decision in the aforementioned consolidated petitions filed by AMPI and ASTI before the Court of Appeals. AMPI and ASTI filed a Motion to Dismiss citing DATEM's numerous failures in complying with Rules of Procedure. Nonetheless despite the filing of said Motion to Dismiss, AMPI and ASTI already filed its Comment to the Petition as well as its Rejoinder to Datem's Reply. The Supreme Court granted Datem's Petition, thus, AMPI/ASTI filed a Motion for Reconsideration which remains pending for resolution.

h. *KLP PH Holdings, Inc. vs. Alphaland Makati Place, Inc.,* docketed as HLURB Case No. REM-010418-16449. This is a complaint filed with the Housing and Land Use Regulatory Board on 4 January 2018 requesting the Board to compel AMPI to (i) to make a confirmation to the Bank of the sale of the subject property, and to submit all the bank requirements for the financing to be released; (ii) to accept full payment of the total contract price as agreed upon without penalties and/or increase in price; and (iii) to deliver title to and possession of the Subject Property to the Complainant. AMPI filed its Answer on 5 March 2018. Mediation Proceedings were terminated as of 14 June 2018 with the parties subsequently directed to file their respective Position Papers. Both parties have already submitted their respective Position Papers as of August 2018. On 11 October 2021, the Human Settlements Adjudication Commission, the then HLURB, ruled in favor of KLP PH Holdings, thus constraining AMPI to file a Motion for Reconsideration which remains pending for resolution..

i. *Happy Samaile Holdings, Inc. vs. Alphaland Makati Place, Inc.,* docketed as HLURB Case No. REM-010418-16450. This is a complaint filed with the Housing and Land Use Regulatory Board on 4 January 2018 requesting the Board to compel AMPI to (i) to make a confirmation to the Bank of the sale of the subject property, and to submit all the bank requirements for the financing to be released; (ii) to accept full payment of the total contract price as agreed upon without penalties and/or increase in price; and (iii) to deliver title to and possession of the Subject Property to the Complainant. The Human Settlements Adjudication Commission, the then HLURB, initially sided with Happy Samaile Holdings, Inc. but on motion for reconsideration by AMPI, reversed its earlier ruling and dismissed the complaint filed by Happy Samaile.

j. *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 CAEFI'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 undergoing trial as the defendant is set to present its final witness.

k. *Alphaland Makati Place, Inc. represented by Atty. Jason J. Alba vs. Carmela J. Farolan-Ferreira, et al.,* docketed as NPS No. XV-05-INV-18I-3799. This is a case charging the respondents with Malicious Mischief before the City Prosecution Office of Makati City. The prosecutor's office recommended that some of the respondents be indicted for malicious mischief but dismissed the charge against Carmela Ferreira, Robson M. Ferreira, Danilo Pintado, Reche, Nicci Mercado, Lengie Oliver, Leoboy Ofialda, Andrea Dimaculangan, Shiela Palayo and Jay-Ar Ompad. AMPI filed its motion for partial reconsideration to include those who are excluded from the charge, which was denied. AMPI then elevated the case through a Petition for Review before the Department of Justice – Office of the Secretary, which denied the same. AMPI then filed a Motion for Reconsideration which is still pending resolution. As for those indicted for malicious mischief, the Metropolitan Trial Court dismissed the case for insufficiency of evidence.

l. *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. On December 13, 2019, the CTA issued a Decision dismissing the Petition. ASTI moved for reconsideration of the adverse decision, which was denied by the CTA in a Resolution issued on February 14, 2020. ASTI then elevated the case to the CTA-En Banc via Petition for Review, which is presently pending.

m. *Alphaland Southgate Tower, Inc. v. Commissioner of Internal Revenue,* docketed as CTA Case No. 10669. This is a Petition for Review filed by ASTI to question the Formal Letter of Demand and subsequent Final Decision on Disputed Assessment issued by the Commissioner on Internal Revenue, finding ASTI liable for alleged deficiency taxes for the taxable year 2014 with a total amount of PhP3,761,146,901.79. Based on the CTA website, Summons was already served to and received by respondent CIR but ASTI has yet to receive any Answer from the CIR.

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, 2021, is 87 and shares outstanding are 27,008,993,720 (exclusive of 4,239,000 in treasury).

The top 20 registered stockholders of the Company as of December 31, 2021 are as follows:

	Name	*No. of Shares*	*%*
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.	Southern Star Investment Limited	890,000,000	3.13%
6.	Azurestar Corporation	280,626,360	0.99%
7.	Noble Care Management Corporation	145,916,470	0.51%
8.	Arculli, Derek	100,000,000	0.35%
9.	Citadel Investments Limited	100,000,000	0.35%
10.	Major Holdings Corporation	90,118,820	0.32%
11.	Major Properties, Inc.	73,881,180	0.26%
12.	Loustar Corporation	55,641,840	0.20%
13.	Powerventures, Inc.	54,900,230	0.19%
14.	Galaxyhouse, Inc.	47,575,450	0.17%
15.	Crystalventures, Inc.	47,198,420	0.17%
16.	Towermill Capital Ventures Corporation	47,112,770	0.17%
17.	Gemsplace Resources, Inc.	46,877,410	0.17%
18.	Summer Wind Capital Ventures Corporation	41,791,630	0.15%
19.	Mega Access Capital Ventures, Inc.	25,205,930	0.09%
20.	Globalcentric Corporation	25,118,000	0.09%

(3) Dividends

(a) During the special meeting of the Board of Directors of the Company held on July 30, 2021, the Board approved the declaration of cash dividends (out of the unrestricted and unappropriated retained earnings of the Company as of December 31, 2020) at Php0.04 per share in favor of holders of common shares of the Company as of the Record Date, July 15, 2021, payable on or before August 4, 2021

(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

Within the past three years, the Company entered into the following share subscription agreements:

Revised Deed of Subscription

Date of Subscription	*Subscriber*	*Number of Shares Subscribed*	*Total Subscription Price (in PhP)*
January 2, 2020	Crystalventures, Inc.	47,198,420	224,479,349
January 2, 2020	Earthlight, Inc.	25,061,400	119,294,209
January 2, 2020	Galaxyhouse, Inc.	47,575,450	226,082,227
January 2, 2020	Gemsplace Resources, Inc.	46,877,410	222,765,069
January 2, 2020	Globalcentric Corporation	25,118,000	119,463,179
January 2, 2020	Loustar Corporation	55,641,840	264,414,318
January 2, 2020	Mega Access Capital Ventures, Inc.	25,205,930	119,982,187
January 2, 2020	Powerventures, Inc.	54,900,230	260,890,144
January 2, 2020	Redcrest Holdings Corporation	24,641,230	117,097,022
January 2, 2020	Regenstar Holdings Corporation	25,034,140	119,164,443
January 2, 2020	Summer Wind Capital Ventures Corporation	41,791,630	198,597,048
January 2, 2020	Towermill Capital Ventures Corporation	47,112,770	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:

	Number of Shares	*Amount*
Authorized capital stock (₱0.10 Par Value)	50,000,000,000	₱5,000,000,000
Issued		
Beginning of year	27,013,232,720	₱2,702,323,272
Revisions to deed of subscriptions	–	–
End of year	27,013,232,720	2,702,323,272
Treasury		
Balance at beginning of year	(98,545,279)	(524,282,902)
Additions	–	–
Balance at end of year	(98,545,279)	(524,282,902)
	26,914,687,441	₱2,178,040,370

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**	
	2021 (Audited)	2020 (Audited)	Amount	%
REVENUES				
Real estate sold	**₱2,057,501**	₱1,034,902	₱1,022,599	99%
Service income	**516,074**	399,695	116,379	29%
Rental income	**336,323**	491,802	(155,479)	-32%
Interest income	**21,116**	28,072	(6,956)	-25%
Others	**95,449**	43,702	51,747	118%
	3,026,463	1,998,173	1,028,290	51%
COSTS AND EXPENSES				
Cost of real estate sold	**1,058,732**	452,170	606,562	134%
Cost of services	**598,773**	608,213	(153,418)	-2%
General and administrative	**844,065**	964,780	(157,075)	13%
	2,501,568	2,025,163	476,407	24%
OTHER INCOME (EXPENSES)				
Gain on fair value changes of investment properties	**1,605,797**	4,131,609	(2,525,812)	-61%
Finance costs	**(2,371)**	(2,593)	222	-9%
Other gains (losses) - net	**21,813**	32,702	(10,998)	-33%
	1,625,239	4,161,718	(2,536,479)	-61%
INCOME BEFORE INCOME TAX	**2,150,239**	4,134,728	(1,984,596)	-48%
PROVISION FOR INCOME TAX				

	Years Ended December 31		Variance	
	2021 (Audited)	2020 (Audited)	Amount	%
Current	**288,057**	154,250	133,807	87%
Deferred	**(2,366,078)**	1,285,165	(3,651,243)	-284%
	(2,078,021)	1,439,415	(3,517,436)	-244%
NET INCOME (LOSS)	**4,228,153**	2,695,313	1,532,843	57%
OTHER COMPREHENSIVE INCOME				
Not to be reclassified to profit or loss in subsequent years:				
Revaluation increase	**427,615**	-	427,615	100%
Income tax effect	**(106,904)**	-	-(106,904)	100%
	320,711	-	320,711	100%
Unrealized valuation gain on club shares for sale	**(31,566)**	(1,328,240)	1,296,674	-98%
Income tax effect	**4,734**	199,236	(194,501)	-98%
	(26,631)	(1,129,004)	(1,102,173)	-98%
Remeasurement gain(loss) on retirement liability	**(11,581)**	5,368	(16,498)	-316%
	282,299	(1,123,636)	(1,405,935)	-125%
TOTAL COMPREHENSIVE INCOME	**4,510,653**	₱1,571,677	(₱2,938,779)	-85%
Net income attributable to:				
Equity holders of the Parent Company	**₱4,227,800**	₱2,701,823	₱1,525,977	56%
Noncontrolling interests	**355**	(6,510)	6,865	-105%
	₱4,228,155	₱2,695,313	₱1,532,843,	57%
Total comprehensive income attributable to:				
Equity holders of the Parent Company	**₱4,510,100**	₱1,578,187	₱2,931,913	186%
Noncontrolling interests	**355**	(6,510)	6,865	-105%
	₱4,510,455	₱1,571,677	₱2,938,779	187%

The Group's net income in 2021 and 2020 amounted to ₱4,228.2 million and ₱2,695.3 million, respectively. Total comprehensive income of the Group is ₱4,510.5 million in 2021 and ₱1,571.7 million in 2021.

51% Increase in Revenues
The Group showed total revenues amounting to ₱3,026.5 million and ₱1,998.2 million for the years ended December 31, 2021 and 2020, respectively.

This is mainly attributable to the sale of 67 Log Homes in Baguio and 1 Villa in Balesin. The increase in the number of passengers of AAI also attributed in the increase in revenues as the restrictions due to COVID pandemic eased in 2021 compared to 2020. However, the decrease in occupancy rate of TAS in 2021 partially compensated the total increase in revenues.

24% Increase in Costs and Expenses
The Group showed total costs and expenses amounting to ₱2,501.6 million and ₱2,025.2 million for the years ended December 31, 2021 and 2020, respectively.

Correspondingly, due to the sale of Log Homes and Private Villa, the costs and expenses attributable to the revenues affected also increased.

32% Decrease in Other Income (Expenses)
Other income (expense) decreased by ₱2,221.4 million from ₱4,161.7 million in 2020 to ₱1,625.2 million in 2021. The significant decrease is attributable to lower fair value increment of Silang, Makati Place, Baguio, Patnanungan and Balesin properties in 2021 as compared to 2020. The decrease is also attributable to the gains in reversal of liabilities and security deposits of tenants in 2020 and none in 2021.

244% Decrease in Provision for Income Tax
Decrease in provision for income tax from ₱1,439.4 million in 2020 to (₱2,078 million) in 2021 is mainly attributable to the effect of CREATE law lowering the corporate income tax rate from 30% to 25%. the lower deferred income tax due to lower fair value increment on the Group's properties in 2021.

	Years Ended December 31		Variance	
	2020 (Audited)	2019 (Audited)	Amount	%
REVENUES				
Real estate sold	**₱1,034,902**	₱1,115,616	(₱80,714)	-7%
Rental income	**491,802**	853,183	(361,381)	-42%
Service income	**399,695**	530,538	(130,843)	-25%
Interest income	**28,072**	26,545	1,527	6%
Others	**43,702**	50,454	(6,752)	-13%
	1,998,173	2,576,336	(578,163)	-22%
COSTS AND EXPENSES				
Cost of services	**608,213**	761,631	(153,418)	-20%
Cost of real estate sold	**452,170**	552,587	(100,417)	-18%
General and administrative	**964,780**	1,121,855	(157,075)	-14%
	2,025,163	2,436,073	(410,910)	-17%
OTHER INCOME (EXPENSES)				
Gain on fair value changes of investment properties	**4,131,609**	18,286,157	(14,154,548)	-77%
Net accounting loss on sale of Southgate	-	(7,003,266)	7,003,266	-100%
Finance costs	-	(190,870)	190,870	-100%
Other gains (losses) - net	**30,109**	(7,472)	37,581	-503%
	4,161,718	11,084,549	(6,922,831)	-62%
INCOME BEFORE INCOME TAX	**4,134,728**	11,224,812	(7,090,084)	-63%
PROVISION FOR INCOME TAX				
Current	**154,250**	826,587	(672,337)	-81%
Deferred	**1,285,165**	2,565,137	(1,279,972)	-50%
	1,439,415	3,391,724	(1,952,309)	-58%
NET INCOME (LOSS)	**2,695,313**	7,833,088	(5,137,775)	-66%
OTHER COMPREHENSIVE INCOME				
Not to be reclassified to profit or loss in subsequent years:				
Revaluation increase	-	768,967	(768,967)	-100%
Income tax effect	-	(230,690)	230,690	-100%
	-	538,277	(538,277)	-100%
Unrealized valuation gain on club shares for sale	**(1,328,240)**	2,732,624	(4,060,864)	-149%
Income tax effect	**199,236**	(409,894)	609,130	-149%
	(1,129,004)	2,322,730	(3,451,734)	-149%
Remeasurement gain(loss) on retirement liability	**5,368**	(4,393)	9,761	-222%
	(1,123,636)	2,856,614	(3,980,250)	-139%
TOTAL COMPREHENSIVE INCOME	**₱1,571,677**	₱10,689,702	(₱9,118,025)	-85%
Net income attributable to:				
Equity holders of the Parent Company	**₱2,701,823**	₱7,831,868	(₱5,130,045)	-66%
Noncontrolling interests	**(6,510)**	1,220	(7,730)	-634%
	₱2,695,313	₱7,833,088	(₱5,137,775)	-66%
Total comprehensive income attributable to:				
Equity holders of the Parent Company	**₱1,578,187**	₱10,688,482	(₱9,110,295)	-85%
Noncontrolling interests	**(6,510)**	1,220	(7,730)	-634%
	₱1,571,677	₱10,689,702	(₱9,118,025)	-85%

The Group's net income in 2020 and 2019 amounted to ₱2,695.3 million and ₱7,833.1 million, respectively. Total comprehensive income of the Group is ₱1,571.7 million in 2020 and ₱10,689.7 million in 2019.

22% Decrease in Revenues
The Group showed total revenues amounting to ₱1,998.2 million and ₱2,576.3 million for the years ended December 31, 2020 and 2019, respectively.

This is mainly attributable to effects of the COVID pandemic, which started in March 2020, resulting to decrease in the number of tenants of AMPI, passengers of AAI and clients of ASAI. The sale of Southgate in March 2019 also contributed to the decrease. However, the increase in occupancy rate of TAS in 2020 partially compensated the total decrease in revenues.

17% Decrease in Costs and Expenses
The Group showed total costs and expenses amounting to ₱2,025.2 million and ₱2,436.1 million for the years ended December 31, 2020 and 2019, respectively.

Correspondingly, due to effects of the pandemic, the costs and expenses attributable to the revenues affected also decreased. The costs and expenses in operating the Southgate, which was sold in March 2019, contributed also to the decrease.

62% Decrease in Other Income (Expenses)
Other income (expense) increased by ₱6,922.8 million from ₱11,084.5 million in 2019 to ₱4,161.7 million in 2020. The significant decrease is attributable to lower fair value increment of Silang, Makati Place, Baguio, Patnanungan and Balesin properties in 2020 as compared to 2019. Decrease is also attributable to net accounting loss on sale of Southgate in 2019.

58% Decrease in Provision for Income Tax
Decrease in provision for income tax from ₱3,391.7 million in 2019 to ₱1,439.4 million in 2020 is mainly from the lower deferred income tax due to lower fair value increment on the Group's properties in 2020. Decrease is also attributable to current income tax on the sale of Southgate in 2019.

Financial Condition (in thousands)

	As of December 31		Variance	
	2021 (audited)	2020 (audited)	Amount	%
ASSETS				
Current Assets				
Cash and cash equivalents	**₱1,171,738**	₱769,657	402,080	52%
Trade and other receivables	**2,730,123**	1,110,323	1,619,800	146%
Land and development costs and parking lots for sale	**2,773,582**	3,193,200	(419,618)	-13%
Advances to related companies	**3,983,186**	4,111,702	(128,516	-3%
Club shares for sale	**1,071,311**	1,074,311	(3,000)	0%
Other current assets	**1,196,483**	1,204,504	(8,022)	0%
Total Current Assets	**12,926,423**	11,463,697	1,462,725	13%
Noncurrent Assets				
Investment in and advances to an associate	**12,349**	12,349	-	0%
Club shares for sale - net of current portion	**29,939,589**	30,437,589	498,000	-2%
Investment properties	**60,053,684**	58,776,917	1,276,768	2%
Property and equipment	**9,963,624**	10,006,474	(42,850)	0%
Other noncurrent assets	**176,463**	155,496	20,967	13%
Total Noncurrent Assets	**100,145,709**	99,388,825	756,885	1%
	₱113,072,132	₱110,852,522	2,219,609	2%
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	**₱3,126,804**	₱2,939,216	187,587	6%
Advances from related companies	**2,529,749**	2,342,111	187,638	8%
Current portion of customers' deposits	**180,932**	107,980	72,953	68%
Income tax payable	**624,353**	453,828	170,524	38%
Total Current Liabilities	**6,461,838**	5,843,135	618,702	11%
Noncurrent Liabilities				
Customers' deposits - net of current portion	**80,105**	120,519	(40,414)	-34%
Retirement liability	**94,809**	73,258	21,551	29%
Net deferred tax liabilities	**19,988,067**	22,641,102	(2,466,830)	-12%
Other noncurrent liabilities	**388,289**	183,221	205,068	112%
Total Noncurrent Liabilities	**20,551,271**	23,018,100	(2,466,830)	-11%
Total Liabilities	**27,013,109**	28,861,235	(1,848,128)	-6%
Equity Attributable to Equity Holders of the Parent Company				
Capital stock	**2,702,323**	2,702,323	-	0%
Additional paid-in capital	**12,909,581**	12,909,581	-	0%
Retained earnings	**61,016,927**	56,828,021	4,188,906	7%
Other comprehensive income:				
Cumulative unrealized valuation gain on club shares for sale	**23,136,499**	23,482,648	(346,149)	-1%
Revaluation surplus	**3,664,880**	3,428,674	236,206	-7%
Accumulated remeasurement gain on retirement liability	**34,744**	46,325	(11,581)	-25%
	103,464,954	99,397,572	4,068,382	4%
Less:				
Parent Company's shares held by a subsidiary	**16,881,220**	16,881,220	-	0%
Cost of treasury shares	**524,283**	524,283	-	0%
	86,059,451	81,992,069	4,067,382-	5%
Noncontrolling interests	**(428)**	(782)	355	-45%
Total Equity	**86,059,023**	81,991,287	4,067,737	5%
	₱113,072,132	₱110,852,522	2,219,609	2%

Total assets of the Group increased by ₱2,219.6 million or 1% from ₱110,852.5 million as of December 31, 2020 to ₱113,072.1 million as of December 31, 2021.

52% Increase in Cash and Cash Equivalents
The increase in cash and cash equivalents is mainly attributable to collections of receivables and cash sales from buyers of villas, log homes and club shares.

146% Increase in Trade and Other Receivables
The increase in trade and other receivable is mainly due to increase in sale of log homes and club shares thru installment.

13% Decrease in Land and Development Costs and Parking Lots for Sale
Decrease in land and development and parking lots for sale is attributable to costs of real estate sold in 2021 but was offset by the additional costs to complete the unsold log homes.

3% Decrease in Advances to Related Companies
Decrease is due to cash advances to and reimbursement of expenses from related companies in the ordinary course of business.

1% Decrease in Other Current Assets
Decrease in other current assets is due to input tax and creditable withholding tax applied against the taxes on the sale of log homes and villas.

2% Decrease in Club Shares for Sale
Decrease in club shares for sale is due to decrease in fair value per "B1" Balesin club share from ₱4.5 million to ₱3.0 million. Decrease is also attributable to the club shares sold in 2021.

2% Increase in Investment Properties
This pertains to increase in the fair value of Silang, Makati Place, Baguio, Patnanungan and Balesin properties in 2021.

0.4% Decrease in Property and Equipment
Decrease in property and equipment mainly pertains to the. Depreciation expense of the Group as no property and equipment was sold or disposed during the year.

13% Increase in Other Noncurrent Assets
Increase in other noncurrent assets mainly pertains to increase in Right of Use Asset account as the new lease amount was recalculated due to renewal of contract.

Total liabilities of the Group amounted to ₱27,013.1 million and ₱28,861.2 million as of December 31, 2021 and 2020, respectively.

6% Increase in Trade and Other Payables
Increase is attributable to additional construction expenses related to additional sale of log homes.

8% Increase in Advances from Related Parties
Increase is attributable to additional fund transfers to the Group's advances from related parties.

68% Increase in Current Portion of Customers' Deposits and 38% Decrease in Customers' Deposits - Net of Current Portion
The net change in customer's deposits mainly pertains to forfeited customer's deposits of the Group in 2021.

38% Increase in Income Tax Payable
The increase is mainly attributable to tax payable relative to the higher number of units sold of Log Homes for the current year compared to the previous year.

29% Increase in Retirement Liability
The increase is attributable to additional retirement costs for the year 2021.

12% Decrease in Net Deferred Tax Liabilities
The decrease in the Net Deferred Tax Liabilities account is mainly attributable to the effect of CREATE Law lowering the Corporate Tax rate from 30% to 20% or 25%. The impact of CREATE Law on previous years' balances was applied to the current year's balanaces.

112% Increase in Other Noncurrent Liabilities
Increase is mainly due to deferred output tax of the uncollected portion from the sale of log homes and villas.

Total equity of the Group jumped by 1% or by ₱4,067.4 million from ₱81,991.3 million as of December 31, 2020 to ₱86,059.5 million as of December 31, 2021.

7% 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 2021.

1% Decrease in Cumulative Unrealized Valuation Gain on Club Shares for Sale
The decrease is attributable to unrealized valuation loss due decrease in the fair value per "B1" Balesin club share from ₱4.5 million to ₱3.0 million. Reclassification adjustments from this account to retained earnings relative to the sale of club shares also contributed to the decrease.

7% Decrease in Revaluation Surplus
This pertains to amortization of revaluation surplus of The Alpha Suites and the aircrafts of the Group in 2021.

Comparative Key Performance Indicators

	2021 (audited)	2020 (audited)	2019 (audited)
(a) Total comprehensive income attributable to equity holders of the Parent Company (in thousands)	**₱4,510,100**	₱1,578,187	₱10,688,482
(b) Weighted average number of shares outstanding after the effect of stock split	**13,080,412,651**	13,166,860,073	14,573,224,623
Basic/diluted earnings per share (a/b)	**₱0.345**	₱0.120	₱0.733
(a) Total equity (in thousands)	**₱86,059,451**	₱81,991,287	₱80,830,328
(b) Total number of shares outstanding at end of year before the effect of stock split	**13,080,412,651**	13,080,412,651	14,573,224,630
Book value per share (a/b)	**₱6.579**	₱6.268	₱5.546
(a) Total long-term debt (in thousands)	**₱–**	₱–	₱–
(b) Total equity (in thousands)	**86,059,451**	81,991,287	80,830,328
Debt-to-equity ratio (a/b)	**₱–**	₱–	₱–
(a) Total comprehensive income attributable to equity holders of the Parent Company (in thousands)	**₱4,510,100**	₱1,578,187	₱10,688,482
(b) Average total equity (in thousands)	**84,025,154**	81,410,808	75,450,233
Return on equity (a/b)	**₱0.054**	₱0.019	₱0.142

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, 2021, 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, 2020.

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 ₱504.2 million and ₱413.2 million as at December 31, 2021 and 2020, respectively.

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

	(In Thousands)		
Subsidiary	**2021**	2020	Nature
ABMLHI	**₱302,588**	₱207,776	Supply of labor, materials, equipment and all related construction works for Alphaland Baguio Mountain Lodges Project
AMPI	**82,403**	94,417	Civil, structural, masonry works and supply and installation of materials forAlphaland 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 ₱270.5 million and ₱384.0 million as at December 31, 2021 and 2020, 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, 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. For the case against AMPI, in a Decision dated January 15, 2020, the CTA decided in favor 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.

ALPHALAND BAGUIO MOUNTAIN LODGES

The Alphaland Baguio Mountain Lodges is a master-planned development of 300 lodgestyle log homes, situated on an 82-hectare property. The development is just 9 kilometers north of Baguio City on Ambuklao Road, which is now fully paved and is only a 15-minute drive from Baguio City proper. The development also offers two helipads

The site enjoys lush Benguet pine forest and totally pollution-free mountain air. In addition to about 10,000 Benguet pine trees on the property (some over a hundred years old), we maintain a nursery for another 50,000 pine trees, all of which will be eventually planted all over the property, making it one of the most lush pine forests in all of Benguet.

There are 7 designs and floor plans to choose from, and the homes are sited to maximize the views of the surrounding pine-forested mountains. The free-standing, individual log homes range in size from 4 to 6 bedrooms, while quadruplexes house the 2- and 3-bedroom homes; all are fully furnished. Each home is constructed from western cedar or pine logs imported from Scandinavia. The entire property is secured by an 8-foot concrete perimeter fence, with 12 security outposts.

The master plan was completed by EcoPlan of Florida in the U.S., the same master planner for Balesin Island. The lodges are sold individually as horizontal condominiums, where the land is proportionately owned by all 300 homeowners. This allows for the optimization of the locations and views of all of the home sites.

Each quadruplex or cluster of 5 to 8 individual homes has its own water cistern that collects rainwater from the roof of each building. Landscaping is provided and maintained by Alphaland, to the usual superior Alphaland standard.

On the main Ambuklao Road part of the property, we will construct a commercial center consisting of several pine log units, which we will provide rent-free to the best restaurants and popular shops in Baguio, as well as a laundromat for the convenience of our homeowners.

We have also completed the mini sports center, which has been used for wedding receptions in addition to sports and recreation. In addition, we have a 2 km hiking trail. We also have a horseback riding trail with ponies from Wright Park.

ALPHALAND MAKATI PLACE

Recent years' economic growth has resulted in the expansion of Makati's vibrant Central Business District. Alphaland Makati Place, located on a premium one-hectare property along Ayala Avenue Extension, near office buildings, schools, shopping centers, hospitals, and community areas, leads the charge.

Alphaland Makati Place is a state-of-the-art office, residential, and leisure complex that offers an integrated lifestyle solution in one dynamic complex. Every detail is planned for efficiency, sustainability, and enjoyment.

It consists of 1 corporate and 2 residential/hotel towers atop the six-storey podium. The first three floors of the podium are home to an upscale public shopping center, high-end supermarket, world-class restaurants, and service hubs. The upper three floors of the podium house The City Club, an exclusive urban sport and leisure membership club and business haven. The City Club also houses Aegle Wellness Center, a center for longevity and holistic health. Atop the sixstorey podium are the 256 units that compose The Alpha Suites luxury serviced residences, the 244 condominium units that make up The Residences at Alphaland Makati Place, and the 34-storey Alphaland Corporate Tower.

Alphaland Makati Place is the only complex in the Central Business District to present such a comprehensive living solution. It is designed by the well-established Hong Kong architectural and engineering practice, Wong & Ouyang, and the leading architectural firm in the Philippines, Casas +

Architects. This complete community is designed to cut down on commuting to enable residents and guests to save time and energy, and minimize traffic, all in secure, private surroundings.

Alphaland Makati Place is designed from the ground up with state-of-the-art building management, automation, and security, as well as energy-efficient mechanical, electrical, and sanitary systems. The complex consumes far less water and energy than comparable buildings, minimizing carbon emissions and unnecessary costs, while still achieving a high level of comfort. Moreover, the complex offers five levels of underground parking, which reduces the urban "heat island effect". The project is registered under the United States Green Building Council (USGBC) rating system, which administers the Leadership in Energy and Environmental Design (LEED).

To keep Alphaland Makati Place 100% free from COVID-19, the following have been implemented:

• Continuous monitoring of the guidelines of Philippine and global public health authorities (including the World Health Organization) for health and safety protocols

• Screening all City Club members and guests, and Aegle Wellness Center clients, for COVID-19 risks by having them complete travel and health questionnaires prior to entering, and Alpha Suites guests prior to check-in

• Alpha Suites guests are also required to present a negative same-day antigen swab test result prior to check-in

• Mandatory temperature check, hand sanitization, and use of disinfecting footbath upon entry

• Compulsory wearing of face masks and face shields by all staff and guests within the building complex

• Provision of hand sanitizers at the Front Desk and at our restaurant takeout stations

• Enforcement of physical distancing in elevators and common areas of the hotel

• Heightened sanitation of all public areas and surfaces every 30 minutes

ALPHALAND CORPORATE TOWER

The Alphaland Corporate Tower is a 34-storey, Grade AAA office building located in the heart of Makati's Central Business District on prestigious Ayala Avenue. Part of the Alphaland Makati Place complex, it offers total leasable space of 26,582 sqm, a panoramic view from each floor, and a total of 27 floors, each with a floor plate of 950 sqm.

Completed in early 2018, the Corporate Tower was fully leased by mid-2018. Each tenant is entitled to ten City Club shares (worth Php 1.5 million each for a total of Php 15 million) at no cost. The tower offers four high-speed elevators, an all-granite and marble entrance lobby, 100% backup genset, and the exclusive Top of the Alpha events venue on the penthouse floor, with its own private elevator..

THE ALPHA SUITES LUXURY SERVICED RESIDENCES

In late 2017, Alphaland decided to convert its unsold inventory in The Residences at Alphaland Makati Place into luxury serviced apartments. The Alpha Suites serviced residences was launched in May 2018, and is wholly owned and operated by Alphaland Corporation. Composed of 256 suites, it offers several different room types: 1-Bedroom, 2-Bedroom, 2-Bedroom Deluxe, 3-Bedroom, two Penthouses, and a two-level Presidential Suite.

Each suite offers bespoke furniture, top-ofthe-line appliances, and premium bathroom fixtures. Every unit has a fully equipped kitchen with dishwasher as well as automated lights, window shades, TV lift, and air conditioning; laundry washer and dryer; minibar; and a safe, with the larger units also including a wine chiller. Fixtures for the suites were handpicked from leading global brands, such as Philippe Starck and Electrolux.

Guests of The Alpha Suites have full access to the 50+ facilities and amenities of The City Club, located in the same building, including the nine world-class restaurants, expansive swimming pool, indoor tennis, badminton, basketball and squash courts, 500-square meter gym, business facilities, etc.

Despite its very recent entry into the hotel market as an independent, non-affiliated property, The Alpha Suites has been ranked the #1 hotel in Makati and Metro Manila on Tripadvisor, the world's leading travel platform, since July 2019.

As we navigate through the new normal of travel, The Alpha Suites remains committed to maintaining the highest standards of hospitality while reinventing the way we deliver guest experiences for a safe and worry-free stay at your five-star home in the city.

Here are the specific steps that we are implementing as part of our commitment to keeping The Alpha Suites 100% free of COVID-19:

• Continuous monitoring of the guidelines of Philippine and global public health authorities (including the World Health Organization) for health and safety protocols

• Screening all guests for COVID-19 risks by having them complete travel and health questionnaires prior to check-in

• COVID-19 antigen swab testing of guests according to the existing guidelines

• Mandatory temperature check, hand sanitization, and use of disinfecting footbath upon entry to hotel

• Compulsory wearing of face masks and face shields by all staff and guests within the building complex, and wearing of disposable gloves by our front-line staff

• Provision of hand sanitizers at the Front Desk and at our restaurant takeout stations

• Enforcement of physical distancing in elevators and common areas of the hotel

• Heightened sanitation of all public areas and surfaces every 30 minutes

• UV treatment of all suites prior to checkin to ensure the elimination of harmful pathogens on room surfaces

• Increased frequency of disinfection of all high-touch areas in the suites

• Application of door seal to ensure that the suite has not been accessed by anyone after sanitation by Housekeeping

THE RESIDENCES AT ALPHALAND MAKATI PLACE

Dubbed "the home of the future", The Residences at Alphaland Makati Place incorporates the limitless possibilities of futurereceptive technology into residents' daily lives through the incorporation of fiber optic infrastructure.

The Residences at Alphaland Makati Place, a meticulously designed complex that ensures a natural fusion of aesthetics and efficiency, offers fully fitted and fully furnished, stateof-the-art Ayala Avenue apartments. The strategic location of the complex makes it a perfect home for dynamic executives, young families, and upwardly mobile singles. The complex incorporates high-speed fiber optic infrastructure, ensuring that it will be technologically advanced for years to come.

Each unit in The Residences at Alphaland Makati Place comes with a resident membership in The City Club, whose top-of-the-line facilities are dedicated to fulfilling the most demanding lifestyle needs.

TOP OF THE ALPHA

The Top of the Alpha is Manila's premier destination for upscale bar & lounge entertainment and private events. The venue features a magnificent view from every part of the 34th floor penthouse of the Alphaland Corporate Tower in Makati.

Top of the Alpha has an L-shaped music lounge where well-known jazz bands have performed, a Tabacalera Cigar Divan featuring the country's finest hand-rolled cigars and single-malt Scotch and Cognac pairings, and an open-air wraparound terrace for dining and lounging with a spectacular view of the metropolis. It also has three beautifully designed private rooms featuring large TV monitors where you can view the live bands or your choice of music in a plush, private setting.

Top of the Alpha is also a premier private events venue serving refined continental cuisine and fine wines and spirits, with live acoustic music and the beautiful view of the metro as its backdrop

AEGLE WELLNESS CENTER

Aegle Wellness Center is a state-of-the-art integrative health and wellness center purposely set in two complementary sites—a five-star citycenter facility and an exclusive island resort setting—to nurture and sustain our unique and bespoke wellness programs.

Named after the Greek goddess of radiant good health, Aegle illustrates the marriage of science and health—Aegle being the daughter of Aesculapius, the god of medicine, and Epione, the goddess of soothing of pain. Aegle is the sister of Panacea, the goddess of medicines, and Hygeia, goddess of health.

Aegle is devoted to the maintenance of health through lifestyle modification based on cuttingedge technology from the basic sciences such as cell physiology, molecular biology, and human genomics. Protocols are hinged on the four foundations of wellness: natural detoxification, weight management, ageing medicine, and holistic health.

Complementing the limitations of Western medicine with the preventive health values of traditional healing, Aegle provides multi-faceted programs to address health concerns ranging from treatment of lifestyle diseases, to enhancing function and athletic performance, to providing support for prevention of terminal illness.

Leading Aegle's acclaimed medical team is Dr. Benedict Valdecañas, the country's leading authority in the field of Sports and Regenerative Medicine. The city-center facility of Aegle Wellness Center, which is located at The City Club, began operations in late 2015, while its second center, located adjacent to the Mykonos Beach Villas in Balesin Island Club, opened its doors in April 2016. The Aegle facility at Balesin offers Thalassotherapy as a centerpiece of its wellness programs.

SERVICES AND PROGRAMS
• Professional Assessment & Evaluation
• Professional Age Management Consults
• Exercise Instruction, Initiation, Integration and Physical Therapy
• Nutritional Consults, Weight Management and Support
• Life Coaching
• Mindfulness Coaching
• Thalassotherapy (Aegle - Balesin only)
• Laboratory Assessment
- COVID-19 Reverse Transcription Polymerase Chain Reaction, Rapid Antigen, and Rapid Antibody Testing
- Complete Blood Analysis and Serum Chemistry

- Body Composition Analysis (BCA)
- Metabolic Analysis Testing
- Food Sensitivity Testing
- Genomic Analysis
- Hormonal Assay
- Micronutrient Assay
- Cancer Markers
- Toxicology Scan
- Gut Microbiome Analysis
- Oxidative Stress
- Neurotransmitter Assay
- Amino Acid Assay
- Cardiovascular
- Chronic Fatigue Syndrome
- Ancillary Assessment
- Plethysmography
- Live Blood Analysis

TREATMENTS
• Hyperbaric Oxygen Therapy (HBOT)
• Colon Hydrotherapy
• Intravenous Detoxification
• Intravenous Supplementation

AESTHETIC TREATMENTS
• Skin Renewals
• Skin Regeneration & Remodeling
• Body Reshaping
• FaceFitness and FaceFitness Luxe

BALESIN INTERNATIONAL GATEWAY

Alphaland has acquired 732 hectares on Patnanungan Island, which is only 21 nautical miles north of Balesin. Between Balesin and Patnanungan it takes only ten minutes by helicopter, five minutes by our Cessnas, and half an hour by a fast ferry.

We plan to build a full international airport facility with a runway of 2,500 meters, which will accommodate even wide-body jets, although we are targeting only the Airbus 320s that fly around the region.

We have always envisioned making Balesin directly accessible to international flights. With the establishment of the Balesin Gateway International Airport, our international members and guests will be able to bypass the congestion of NAIA in Manila and fly directly to Balesin from Tokyo, Seoul, Taipei, Hong Kong, Bangkok, Singapore, and Jakarta, and even Sydney, all cities that will be the target of our aggressive international marketing of Balesin Island Club.

Because the island has fresh ground water, we also plan to build an 18-hole championship golf course and 5 luxury hotels, as well as 1,834 beachfront and golf course homes. So that we do not end up with a mish-mash of designs and are able to preserve the pristine character of the land, we will design and build each individual home. The homes can be directly owned by individuals and companies who would like to acquire their own beach houses. We have partnered with EcoPlan (the same master planner of Balesin Island) to finalize the master plan for the island, and continue to work on obtaining the necessary permits and regulatory approvals.

ALPHALAND AVIATION

Alphaland Aviation's fleet of aircraft includes two 68-seater ATR 72-500s, two 9-seater Cessna 208B Grand Caravans, and a 12-passenger Dassault Falcon 900EX, as well as a 5-passenger Eurocopter EC-130B4 helicopter.

ALPHALAND CLARK HANGAR AND LOUNGE

Alphaland's private hangar and lounge at Clark International Airport in Pampanga has allowed us to offer additional and more convenient flights for Balesin members who live in the northern part of Metro Manila and in Central Luzon. In addition to our usual service from NAIA, we now schedule flights to and from Clark to avoid the air traffic and runway congestion at NAIA.

Item 7. Financial Statements

The audited financial statements of the Group as of and for the year ended December 31, 2021 are filed as part of this Form 17-A.

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

In 2021, 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, 2021, and their respective ages, positions held, and periods of service are as follows:

Name	*Age*	*Position*	*Period During Which the Individual has Served as Such*
Roberto V. Ongpin	85	Chairman of the Board, Chief Executive Officer and Director	November 11, 2009 to present
Anna Bettina Ongpin	57	Vice-Chairman and Director	February 1, 2020 to present; March 19, 2014 to present
Eric O. Recto	58	Vice Chairman and Director	June 20, 2018 to present
Dennis O. Valdes	60	President and Director	February 1, 2020 to present; November 11, 2009 to present
Lorenzo V. Tan	60	Director	June 20, 2018 to present
Mario A. Oreta	75	Director	November 11, 2009 to present
Dennis A. Uy	48	Director	June 20, 2018 to present
Francisco Ed. Lim	67	Director	June 20, 2018 to present
Juan Edgardo M. Angara	49	Director	June 20, 2018 to present
Margarito B. Teves	78	Independent Director	August 31, 2011 to present
Jose Ramon T. Villarin	62	Independent Director	June 20, 2018 to present
Gilberto Eduardo Gerardo C. Teodoro, Jr.	57	Independent Director	June 20, 2018 to present
Florentino M. Herrera III	70	Independent Director	June 20, 2018 to present

Name	*Age*	*Position*	*Period During Which the Individual has Served as Such*
Gregorio T. Yu	64	Independent Director	June 20, 2018
Jaime J. Bautista	65	Director	September 17, 2019 to present
Michael Angelo Patrick M. Asperin	63	Chief Operating Officer	May 31, 2016
Cristina B. Zapanta	58	Treasurer and Senior Vice President for Finance	As Treasurer: May 17, 2016 As SVP for Finance: June 1, 2017
Jason J. Alba	48	Corporate Secretary	June 14, 2017
Jonamel G. Israel-Orbe	49	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, 85 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, *Vice Chairman and Director*
Ms. Ongpin, Filipino, 57 years old was elected Director on March 19, 2014 and elected as Vice Chairman on February 1, 2020. She has more than 30 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, 58 years old, was elected Director on 12 November 2009 and appointed as Vice Chairman on June 20, 2018. He is also presently the President of Atok-Big Wedge Co., Inc., the Chairman of the Philippine Bank of Communications in 2012. He is presently Chairman and President of Bedfordbury Development Corporation; Chairman and President of Optimum Dev't. Holdings Phils., Inc.; Independent Director of Aboitiz Power Corporation and PH Resorts Group Holdings, Inc.; Director of DITO CME Holdings Corp. (formerly ISM Communications Corporation); and a Member of the Board of Supervisors of Acentic GmbH. Mr. Recto served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005, in charge of handling both the International Finance Group and the Privatization Office. Before his stint with the government, he was Chief Finance Officer of Alaska Milk Corporation and Belle Corporation. 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, 60 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 the incumbent President & CEO of Yuchengco-owned House of Investments, Inc. He is a prominent banker who served as the President and Chief Executive Officer of Rizal Commercial Banking Corporation from 2007 to 2016; Prior to that, he also served as President and CEO of Sun Life of Canada (Philippines), Inc., the Philippine National Bank, and the United Coconut Planters Bank. Mr. Tan is currently serving as Director of Smart Communications, Inc., Digitel Telecommunications, EEI Corp., Sun Life Grepa Financial, Inc., iPeople, Inc., Malayan Insurance Company, Inc., Manila Memorial Park Cemetery, Inc., PetroEnergy

Corporation; Philippine Realty and Holding Corporation (Philrealty) and Hi-Eisai Pharmaceutical Inc.; Also serves as Director for Honda Cars Philippines and Isuzu Manila, Inc.; Director, President and CEO of RCBC Realty Corporation and San Lorenzo Ruiz Investment Holdings and Services, Inc. He holds the Vice Chairmanship of the Pan Malayan Management and Investment Corporation (PMMIC), and TOYM Foundation; Member of the Board of Trustees at De La Salle Zobel. *Other past experiences include:* Managing Director of Primeiro Partners, Inc., Chairman of Asian Bankers Association (ABA); President of Bankers Association of the Philippines (BAP). Mr. Tan is a Certified Public Accountant in Pennsylvania, USA and in the Philippines, 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 and President*

Mr. Valdes, Filipino, 60 years old, has been a Director since 2011. He became the President of the Company effective February 1, 2020. He is also a Director of Atok-Big Wedge Co., Inc. (AB). His previous work experience includes 14 years with PhilWeb Corporation, ten years with the Inquirer Group of Companies, and six years with The NutraSweet Company. 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.

JAIME J. BAUTISTA, *Director*

Mr. Bautista, 65 years old was elected Director of the Company on Sept 17, 2019. He is presently a Member of the Board of Trustees of the University of the East, Member of the Board of Trustees of the UE Ramon Magsaysay Memorial Medical Center, Member of the Board of Trustees of the International School of Sustainable Tourism, Independent Director of Airspeed International Corporation, Independenr Director of Nickel Asia Corp., Independent Director of Belle Corp., Independent Director of Premium Leisure Corp., Independent Director of Gothong Southern Shipping Corp., Member of the board of Directors of Philippine Bank of Communications, Member of the Board of Directors of Cosco Capital Corp. and President of Skal International Makati, He was previously President and Chief Operating Officer of Philippine Airlines, Inc, President and Director of PAL Holdings, Inc., and Treasurer and Director of Macroasia Corp. He started his career with Sycip, Gorres, Velayo and Company and help various management position in the Lucio Tan Group of Companies. Mr. Bautista, a certified public accountant, graduated from Colegio de San Juan de Letran with a degree of Bachelor of Science in Commerce, major in Accounting.

MARIO A. ORETA, *Director*

Mr. Oreta, Filipino, 75 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, 48 years old, was elected Director on June 20, 2018. He is also the Vice-Chairman of Atok-Big Wedge. Co., Inc. Mr. Uy is also the Founder, Chairman and CEO of UDENNA Corporation and Dito Telecommunity Corporation; Chairman of Dito CME Holdings Corp.; Chairman of Phoenix Petroleum Philippines, Inc. (PNX), Chelsea Logistics Holdings Corporation, Chairman of UDENNA Land, Inc., PH Resorts Group Holdings Corp.; Chairman and President of UDENNA Infrastructure Corp.; Chairman of Phoenix Philippines Foundation, UDENNA Foundation, Silad Atleta Pilipinas Sprots Foundation and LIFE Fund. He was appointed Presidential Adviser on Sports in 2016, and has been an Honorary Consul of Kazakhstan to the Philippines since 2011. Mr. Uy is a graduate of De La Salle University with a degree in Business Management.

FRANCISCO ED. LIM, *Director*

Atty. Lim, Filipino, 67 years old, was elected Director on June 20, 2018. He is a Senior Legal Counsel of Angara Concepcion Regala & Cruz Law Offices (ACCRALAW); former President of the Financial Executives Institute of the Philippines (FINEX) and continue to serve FINEX as VP for External Affairs; former President of the Management Association of the Philippines (MAP) and continues to serve MAP as the Vice-Chairman of the *Membership* Committee and *Management Man of the Year* Search Committee, and Co-Chairman of the *National Issues Committee*. He previously served as President, CEO and Director of Philippine Stock Exchange, Inc. (PSE), President & CEO of Securities Clearing Corporation of the Philippines (SCCP) and President of the Shareholders' Association of the Philippines (SharePHIL). He is a Director of Converge Information and Communications Technology Solutions, Inc. (a Publicly Listed Company) and Alphaland Corporation and Independent Director of The Insular Life Assurance Co., Ltd, Union Bank of the Philippines and First Philippine Holdings Corporation. He is also a Trustee of SharePhil, CIBI Foundation, Inc., Judicial Reform Initiative, Inc., Financial Executives Institute of the Philippines (FINEX), Chairman and Trustee of FINEX Research Foundation, Inc., Vice-Chairman of FINEX Academy, Inc., and a Fellow of the Institute of Corporate Directors. He is a member of the Integrated Bar of the Philippines, Philippine Bar Association, New York State Bar Association, the American Bar Association, and Advisory Committee for the Asian Principles of Business Restructuring Project of the III and Asian Business Law Institute.

JUAN EDGARDO M. ANGARA, *Director*

Mr. Angara, Filipino, 49 years old, was elected Director on June 20, 2018. He was elected to the Senate of the Philippines in 2013 were he placed 6th. Prior to joining the company, he worked as a trainee at the Metopolitan 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, 78 years old, was elected Independent Director on August 31, 2011. He is also an Independent Director of Atok-Big Wedge Co., Inc., Alphaland Balesin Island Club, Inc., and The City Club at Alphaland Makati Place, Inc. He is currently the Chairman of Think Tank, Inc. He was formerly Secretary of the Department of Finance, Landbank President and CEO, and a Member of the House of Representatives (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, Williams College, Massachusetts, USA. He was conferred an Honorary Degree, Doctor of Laws, by Williams 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, 61 years old, was elected Independent Director on June 20, 2018. He is presently the Executive Director of the Manila Observatory. He served as President of Ateneo de Manila University and Xavier University (2005-2020). At present, he is Chairman of Synergeia, an NGO for public education reform, and Vice-Chairman of the Scientific Community/Academe of the National Resilience Council. He is also on the international advisory board of Sophia University (Japan). His past engagements include membership in the boards of AIM and Ramon Magsaysay Foundation. Mr. Villarin has a degree in physics from the Ateneo de Manila University, a master's in physics from Marquette University (Wisconsin), and a doctorate in atmospheric sciences from Georgia Tech (Atlanta).

FLORENTINO M. HERRERA III, *Independent Director*

Mr. Herrera, Filipino, 70 years old, was elected Independent Director on June 20, 2018. He is the founding partner of Herrera Teehankee & Cabrera Law Offices (established in 1986). He was formerly a Partner of one of the largest law offices in the Philippines. He has been engaged in the general practice of law for the past forty-four (44) years specializing in corporate law practice as counsel for various companies. Among others, he serves as Senior Adviser of CVC Asia Pacific Limited (since April 2014). He is a Director of Philippine Airlines, Inc. (since 2014), Lufthansa Technik Philippines (LTP) (since 2017) (Corporate Secretary of LTP from 2000 to 2016). He is the Corporate Secretary of MacroAsia Corporation (since 2014) and Allianz PNB Life Insurance, Inc. (since 2016). Atty. Herrera holds a Bachelor of Arts in Political Science degree and a Bachelor of Laws degree (Cum Laude, Salutatorian) both from the University of the Philippines.

GREGORIO T. YU, *Independent Director*
Mr. Yu, Filipino, 64 years old was elected Independent Director on June 20, 2018. He is presently the Chairman of Auto Nation Group, Inc., Cats Automobile Corp and Nexus Technology Inc. He is also the Vice Chairman and Director of Sterling Bank of Asia. Mr. Yu is also a director of various private institutions, among which are CATS Asian Cars, Inc and American Motorcycles, Inc. He is also a Director of Unistar Credit and Finance Corporation, Philippine Bank of Communication, Glyph Studios, Inc., Prople BPO Inc., WSI Corporation, and Jupiter Systems Corporation. He is also an Independent Director of Glacier Megafridge, EEI Corporation, DITO CME Holdings Corporation, APO Agua Infrastructura Inc., Philequity Management Inc., Vantage Financial Corporation (formerly E-business Services, Inc. and Vantage Equities Inc. Mr. Yu is also a Board Member of Ballet Philippines and The Manila Symphony Orchestra since 2009.He received his MBA from the Wharton School of the University of Pennsylvania in 1983 and his Bachelor of Arts in Economics (Honors Program) Summa Cum Laude from De La Salle University in 1978**.**

GILBERTO EDUARDO GERARDO C. TEODORO, JR., *(Independent)*
Mr. Teodoro, Filipino, 57 years old, was elected Independent Director for the company on June 20, 2018. He is the Chairman of Sagittarius Mines, Inc. from 2015 to present and Indophil Resources Inc. from 2017 to present. 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 graduated with a Dean's Medal for Academic Excellence. He topped the 1989 Philippine Bar Examination. 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, 63 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, 48 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, 58 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, 49 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. and President of The City Club at Alphaland Makati Place, Inc. and Alphaland Balesin Island Club, Inc.

Mr. Eric O. Recto is also a director and the Chairman of PBC; director of DITO CME Holdings, Corp., director and the President of AB; and independent director of Aboitiz Power Corporation and PH Resorts Group Holdings, Inc..

Atty. Lim is also director of The Insular Life Assurance Co., Ltd., Union Bank of the Philippines, Inc. (UBP) and First Philippine Holdings Corporation.

Mr. Herrera is also a director of Philippine Airlines, Inc. and Lufthansa Technik Philippines.

Mr. Yu is also director of Unistar Credit and Finance Corporation, Philippine Bank of Communications, Glyph Studios, Inc. People BPO Inc., WSI Corporation and Jupiter Systems Corporation. He is also an Independent Director of EEI Corporation, DITO CME Holdings Corporation, APO Agus Infrastructura, Inc. and Philequity Management, Inc.

Shares of AB, DITO, PBC, UBP, 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 "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. This case is in the trial stage. 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 is a Petition for Certiorari which is related to this case pending with the Court of Appeals docketed as 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, respectively, for violations of Section 3 (e) 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 217914, entitled “People of the Philippines v. 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 ad Investigation 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. On September 30, 2020, the Supreme Court issued a resolution dismissing the Petition for Review filed by the SEC-EIPD. A motion for reconsideration of the dismissal is pending resolution by the Supreme Court.

5. *Roberto V. Ongpin, Dennis O. Valdes, Cyrano A. Austria, and Michael M. Asperin vs. Enforcement and Investor Protection Department – Securities and Exchange Commission –* Petition for Review with Prayer for the Issuance of a Writ of Preliminary Injunction and/or Temporary Restraining Order and/or Stay Order was filed on January 26, 2021. The case remains pending.

6. *People of the Philippines vs. Dennis Ang Uy, John Does and/or Jane Does* - Regional Trial Court-Branch 14, Davao City, Criminal Case Nos. 75, 834-13 to 75, 845-13 and 76, 076-13. On August 27, 2013, The Department of Justice (DOJ) filed twelve (12) Informations before the Regional Trial Court of Davao against Mr. Dennis A. Uy and several John Does and/or Jane Does for alleged violations of Section 3602, in relation to Sections 3601, 2530 (I)(1), (3), (4), and (5), Sections 1801, 1802 of the Tariff and Customs Code of the Philippines. These provisions all pertains to unlawful importation of goods allegedly committed by Mr. Uy for the importation of petroleum products in the Philippines. On September 11, 2013, additional ten (10) criminal informations were filed by the DOJ, pertaining to additional instances of the violations under the TCCP. These additional informations all pertain to the alleged unlawful importation of petroleum products. On October 4, 2013, the RTC dismissed all the cases, for lack of probable cause, against Mr. Uy. People of the Philippines filed a Motion for Reconsideration, which was denied by the RTC on August 18, 2014. On October 27, 2014, the petitioner People of the Philippines filed a Petition for Certiorari with the Court of Appeals, which was denied by the latter on October 12, 2016. On November 7, 2016, the People of the Philippines filed a Motion for Reconsideration of the Decision dated October 12, 2016. To date, the Court of Appeals has not acted on the Motion for Reconsideration dated November 7, 2016 and thus the case remains pending.

7. *Dennis A. Uy vs. Hon. Secretary of the Department of Justice Leila M. De Lima and the Bureau of Customs*, CA-G.R. SP No. 131702, Court of Appeals, Manila, Special Former Special Tenth Division – Dennis A. Uy filed a Petition for Certiorari with the Court of Appeals on September 4, 2013 in connection to the resolution of the DOJ to file criminal cases against him for the alleged violations of the TCCP. On July 25, 2014, the Court of Appeals issued its Decision granting the Petition for Certiorari of Mr. Uy and declaring the Resolutions of the DOJ dated April 24, 2013 and August 13, 2013 nullified and set aside and directing that the Information filed against Dennis Uy withdrawn and/or dismissed for lack of probable cause. The DOJ and the Bureau of Customs thereafter filed a Motion for Reconsideration, which was denied by the Court of Appeals on July 23, 2015. Subsequently, the DOJ and Bureau of Customs filed a Petition for Review on Certiorari with the Supreme Court. The Supreme Court required the parties to file their respective Memoranda, which the parties complied with. On December 12, 2016, the Supreme Court issued its Notice of Resolution dated November 16, 2016 noting the parties Memoranda. As of the date, the Supreme Court has not yet issued any decision.

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 1. Roberto V.	2019	127,400,000.00*	0	0	127,400,000.00*

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	129,800,000.00	0	0	129,800,000.00
CEO and Top 4 Highest Paid Executives 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,	2020	135,500,000.00	0	0	135,500,000.00

SVP					
All Directors and Officers as a Group Unnamed	2020	137,900,000.00	0	0	137,900,00.00
CEO and Top 4 Highest Paid Executives 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	2021	135,500,000.00	0	0	135,500,000.00
All Directors and Officers as a Group Unnamed	2021	137,900,000.00	0	0	137,900,00.00

CEO and Top 4 Highest Paid Executives 1. Roberto V. Ongpin, Chairman & CEO 2. Anna Bettina Ongpin, Vice Chairman 3. Paul Dennis O.	2022	* 138,100,000.00	0	* 138,100,000.00

Valdes, President 4. Michael A. P. M. Asperin, EVP 5. Enrico Sison, SVP				
All Directors and Officers as a Group Unnamed	2022	* 140,500,000.00	0	* 140,500,000.00

**Estimated aggregate compensation for the whole year 2022*

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, 2021

(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:

Title of Class	*Name and Address of Record Owner and relationship with Issuer*	*Name of Beneficial Owner and relationship with Record Owner*	*Citizenship*	*No. of Shares*	*% Held*
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 Benificial Owner	Filipino	8,426,567,460	29.66%
Common	Boerstar Corporation Alphland Makati Place,	Roberto V. Ongpin	Filipino	1,677,884,300	5.91%

	7232 Ayala Ave. cor. Malugay St. Makati City Stockholder	Benificial Owner			

(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:

Name	*Direct*	*Indirect*	*% to Total Outstanding Shares*
Roberto V. Ongpin	10	10, 571, 544,545	39.15%
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	0.61%
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

<u>Voting Trust Holders of 5% or More</u>

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:

30 July 2021

Approval of the declaration of cash dividend and retained earnings

3 March 2022

Approval on the released of the Audited Financial Statement ending 31 December 2021

6 April 2022

Approval on the postponement and resetting of 2022 Annual Stockholders meeting

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 May 6, 2022.

DENNIS O. VALDES
President

CRISTINA B. ZAPANTA
Senior Vice President for Finance

JASON J. ALBA
Corporate Secretary

SUBSCRIBED AND SWORN to before me on MAY 1 0 2022 at Makati City, affiants exhibited to me their Identification Documents/Community Tax Certificate Nos. as follows

Name	I.D.	Date & Placed Issued
Dennis O. Valdes	TIN 140-808-056	
Cristina B. Zapanta	TIN 102-116-723	
Jason J. Alba	TIN 127-577-540	

Doc No. 106
Page No. 23
Book No 64
Series of 2022

GEORGE DAVID D. SITON
Appointment No. M-332
Notary Public for Makati City
Until December 31, 2022
Executive Bldg. Center Makati Ave.
cor. Jupiter St., Makati City
Roll of Attorneys No. 68402
MCLE Compliance No. VI-0021936-3-29-2019
IBP No. 002282 / Lifetime Member / 5-8-17
PTR No. 2235859 / 01.05.2021 / Parañaque City

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, 2021.				

(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	159,366,058	-	(20,197,188)	-	139,168,870	-	139,168,870
2	Alphaland Southgate Tower Inc.	771,937,296	295,928,052	-	-	1,067,865,348	-	1,067,865,348
3	Alphaland Balesin Island Resort Corporation	4,301,447,589	-	(528,214,469)	-	3,773,233,120	-	3,773,233,120
4	Alphaland Reclamation Corp.	4,889,845	50,923	-	-	4,940,768	-	4,940,768
5	Alphaland Makati Place Inc.	7,116,319,227	-	(155,278,847)	-	6,961,040,380,	-	6,961,040,380
6	Alphaland Aviation, Inc.	810,331,611	9,770,599	-	-	820,102,210	-	820,102,210
7	Alphaland Aviation Pampanga, Inc.	209,582,130	292,474,377	-	-	502,056,507	-	502,056,507
8	2258 Blue Holdings, Inc.	26,250,583	101,770,367	-	-	128,020,950	-	128,020,950
9	Choice Insurance Brokerage, Inc.	14,689,066	-	(14,689,066)	-	-	-	-
10	Alphaland Baguio Mountain Log Homes, Inc.	1,165,121,240	335,915,308	-	-	1,501,036,548	-	1,501,036,548
11	Alphaland Balesin International Gateway, Inc.	190,874,768	17,295,427	-	-	208,170,195	-	208,170,195
12	Alphaland Southgate Restaurants, Inc	12,677,380	-	(207,005)	-	12,470,375	-	12,470,375
13	Alphaland International, Inc.	813,053	178,880	-	-	991,933	-	991,933
14	Aegle Wellness Center, Inc.	114,636,363	1,063,577	-	-	115,699,940	-	115,699,940
15	Aegle Drugstore, Inc.	7,427,288	2,345,767	-	-	9,773,055	-	9,773,055
16	Alphaforce Security Agency, Inc.	11,080,421	7,500,000	-	-	18,580,421	-	18,580,421
17	The Alpha Suites, Inc.	147,106,004	-	(91,790,941)	-	55,315,063	-	55,315,063
18	Top of the Alpha, Inc.	27,125,248	-	(9,572,107)	-	17,553,141	-	17,553,141
19	Red Mountain Holdings, Inc.	17,513	5,253,481	-	-	5,270,994	-	5,270,994
20	Lodgepole Holdings, Inc.	59,081	-	(59,081)	-	-	-	-
21	Mt. Baguio Holding Estates, Inc.	91,486	-	(91,486)	-	-	-	-
22	Pinecrest Holdings, Inc.	38,171	1,500	-	-	39,671	-	39,671
23	Digital Excel Developments Limited	412,602	-	-	-	412,602	-	412,602
	TOTAL	**15,092,294,023**	**1,069,548,258**	**(820,100,190)**	**-**	**15,341,742,091**	**-**	**15,341,742,091**

(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	₱3,405,351	₱-	₱1,199,890	₱-	₱-	₱2,205,461
2	Goodwill	2,000,024	-	-	-	-	2,000,024
	TOTAL	**₱5,405,375**	**₱-**	**₱1,199,890**	**₱-**	**₱-**	**₱4,205,485**

(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, 2021.					
	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

	Title of issue (i)	*Number of shares authorized*	*Number of shares issued and outstanding shown under related balance sheet caption*	*Number of shares reserved for options, warrants, conversion and other rights*	*Number of shares held by related parties (ii)*	*Directors, officers and employees*	*Others (iii)*
1	Common Shares	50,000,000,000	26,914,687,441	-	13,792,109,780	10,735,547,635 *	-
	TOTAL	**50,000,000,000**	**26,914,687,441**	-	**13,792,109,780**	**10,735,547,635**	**-**

(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 10,735,547,635 shares beneficially owned by directors, officers and employees, only 3,120 is directly owned by the directors, officers and employees.*

ALPHALAND CORPORATION AND SUBSIDIARIES
PARENT COMPANY'S RECONCILIATON OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2021

	AMOUNT
Retained earnings at beginning of the year	4,340,073,393
Net Income (Loss) during the year	(5,142,640)
Treasury shares	(524,282,902)
Dividends	(523,216,473)
Retained earnings at the end fo year*	3,287,431,378

**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 2.0 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
As of December 31, 2021 and 2020

Ratio	**Manner of Calculation**	**December 31, 2021**	December 31, 2020
Liquidity ratios			
Acid test/ Quick ratio	Cash plus marketable securities plus accounts receivable over current liabilities	**0.60 :1.00**	0.32 :1.00
Current ratio	Current assets over current liabilities	**2.00 :1.00**	1.96 :1.00
Cash ratio	Cash and cash equivalents plus marketable securities over current liabilities	**0.18 :1.00**	0.13 :1.00
Financial leverage ratios			
Debt to assets ratio	Total liability over total assets	**0.24 :1.00**	0.26 :1.00
Capitalization ratio	Long-term debt over long-term debt plus shareholders' equity	**0.00 :1.00**	0.00 :1.00
Debt to equity ratio	Interest-bearing debt over shareholders' equity	**0.00 :1.00**	0.00 :1.00
Asset-to-equity ratio	Total assets over shareholders' equity	**1.31 :1.00**	1.35 :1.00
Long-term Debt to Net Working Capital	Long-term debt over current assets-current liabilities	**0.00 :1.00**	0.00 :1.00
Interest rate coverage ratio (Times interest earned)	Earnings before interest and taxes over interest expenses of the same period	**0.00 :1.00**	0.00 :1.00
Profitability ratio			
Net profit margin ratio/ return on sales	Net income over net sales	**1.40 :1.00**	1.35 :1.00
Return on assets ratio	Net income over average total assets during the period	**0.04 :1.00**	0.02 :1.00
Return on investment	Net income over long-term liabilities plus equity	**0.05 :1.00**	0.03 :1.00
Gross profit margin	Gross profit over net sales	**0.45 :1.00**	0.47 :1.00

alphaland CORPORATION

Myle Chris S. Pajotal <mspajotal@alphaland.com.ph>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Fri, May 6, 2022 at 6:04 PM
To: AC_ACCOUNTINGBIR@alphaland.com.ph
Cc: AC_ACCOUNTINGBIR@alphaland.com.ph

Hi ALPHALAND CORPORATION,

Valid files

- EAFS001746612RPTTY122021.pdf
- EAFS001746612ITRTY122021.pdf
- EAFS001746612AFSTY122021.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-2NV3M3WM02R3SVQZWQQR1TQ2Q0PT4NWRST**
Submission Date/Time: **May 06, 2022 06:04 PM**
Company TIN: **001-746-612**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

alphaland
CORPORATION

March 3, 2022

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR SEPARATE FINANCIAL STATEMENTS"

The management of **Alphaland Corporation** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021, 2020 and 2019 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible in overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ROBERTO V. ONGPIN
Chairman and Chief Executive Officer

Dennis Valdes

DENNIS O. VALDES
President

CRISTINA B. ZAPANTA
Senior Vice President for Finance

SUBSCRIBED AND SWORN to before me this APR 0 4 2022 at Makati City, affiants exhibiting to me their respective identification documents, and personally known to me, follows:

NAME	PASSPORT ID NO.	DATE OF ISSUE	PLACE OF ISSUE
Roberto V. Ongpin	P8322208B	November 29, 2021	DFA Manila
Paul Dennis O. Valdes	P9052625A	October 6, 2018	DFA MANILA
Cristina B. Zapanta	P3451062A	June 22, 2017	DFA NCR East

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Page No. 22
Book No. 30
Series of 2022

GEORGE DAVID D. SITON
Appointment No. M-332
Notary Public for Makati City
Until December 31, 2022
Executive Bldg. Center Makati Ave.
cor. Jupiter St., Makati City
Roll of Attorneys No. 68402
MCLE Compliance No. VI-0021936-3-29-2019
IBP No. 002282 / Lifetime Member / 5-8-17
PTR No. 2235859 / 01.05.2021 / Parañaque City

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	1	8	3	8	3	5

C O M P A N Y   N A M E

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)*

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
AASFS	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
corpsec@alphaland.com.ph	(632) 5-337-2031	(0917) 100 4805

No. of Stockholders	Annual Meeting	Calendar Year (Month / Day)
89	Last Wednesday of May	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number	Mobile Number
Ms. Cristina B. Zapanta	cbzapanta@alphaland.com.ph	(632) 5-337-2031	(0917) 807 4700

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.*

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Alphaland Corporation
Alphaland Makati Place
7232 Ayala Ave. ext. cor. Malugay Street
Makati City

Opinion

We have audited the accompanying separate financial statements of Alphaland Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2021 and 2020, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the three years ended December 31, 2021, 2020 and 2019, and notes to separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2021 and 2020, and its separate financial performance and its separate cash flows for the three years ended December 31, 2021, 2020 and 2019 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the separate financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until April 13, 2024
SEC Accreditation No. 27455-SEC Group A
Issued January 28, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-005-2019
Valid until October 16, 2022
PTR No. 8851704
Issued January 3, 2022, Makati City

March 3, 2022
Makati City, Metro Manila

ALPHALAND CORPORATION

SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2021**	2020
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱1,712,258**	₱93,731,617
Receivables	5	**2,524,440**	515,306
Advances to related companies	12	**183,020,269**	97,000,733
Other current assets	6	**23,204,667**	24,142,655
Total Current Assets		**210,461,634**	215,390,311
Noncurrent Assets			
Investments in and advances to subsidiaries	7	**23,023,428,167**	23,089,388,529
Aircraft	8	**70,980,068**	68,624,143
Total Noncurrent Assets		**23,094,408,235**	23,158,012,672
		₱23,304,869,869	₱23,373,402,983
LIABILITIES AND EQUITY			
Current Liabilities			
Payables and other current liabilities	9	**₱41,802,233**	₱41,331,184
Advances from related companies	12	**1,664,175,950**	1,204,811,065
Total Current Liabilities		**1,705,978,183**	1,246,142,249
Equity			
Capital stock	11	**2,702,323,272**	2,702,323,272
Additional paid-in capital		**15,609,146,971**	15,609,146,971
Retained earnings	11	**3,811,704,345**	4,340,073,393
		22,123,174,588	22,651,543,636
Less cost of shares in treasury	11	**(524,282,902)**	(524,282,902)
Total Equity		**21,598,891,686**	22,127,260,734
		₱23,304,869,869	₱23,373,402,983

See accompanying Notes to Separate Financial Statements.

ALPHALAND CORPORATION

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2021**	2020	2019
INCOME				
Foreign exchange gain		**₱993,436**	₱–	₱398,885
Interest income	4	**642,268**	2,110,484	2,833,567
Dividend income	7	**–**	–	4,776,785,714
Other income		**966,923**	–	–
		2,602,627	2,110,484	4,780,018,166
EXPENSES				
Depreciation	8	**4,459,845**	4,289,009	4,289,009
Service and professional fees		**2,608,350**	3,035,158	6,498,362
Office supplies and printing		**263,201**	375,313	397,033
Outside services		**211,578**	233,962	1,111,309
Taxes and licenses		**32,513**	42,957	4,563,671
Representation		**30,872**	26,535	109,561
Bank charges		**12,125**	75,905	8,659
Foreign exchange losses		**–**	7,948,244	–
Provision for probable losses	9	**–**	70,729	11,243,341
Others		**117,114**	16,402	453,271
		7,735,598	16,114,214	28,674,216
INCOME (LOSS) BEFORE INCOME TAX		**(5,132,971)**	(14,003,730)	4,751,343,950
PROVISION FOR (BENEFIT FROM) INCOME TAX	13			
Current		**19,604**	–	805
Deferred		**–**	(107,598)	107,598
		19,604	(107,598)	108,403
NET INCOME (LOSS)		**(5,152,575)**	(13,896,132)	4,751,235,547
OTHER COMPREHENSIVE INCOME		**–**	–	–
TOTAL COMPREHENSIVE INCOME (LOSS)		**(₱5,152,575)**	(₱13,896,132)	₱4,751,235,547

See accompanying Notes to Separate Financial Statements.

ALPHALAND CORPORATION

SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	**2021**	2020	2019
CAPITAL STOCK - ₱0.1 par value	11			
Balance at beginning of year		**₱2,702,323,272**	₱2,842,173,842	₱2,842,173,841
Reclassification to additional paid-in capital		**–**	(139,850,570)	**–**
Issuances		**–**	**–**	1
Balance at end of year		**2,702,323,272**	2,702,323,272	2,842,173,842
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		**15,609,146,971**	15,469,296,401	15,469,296,354
Reclassification from capital stock	11	**–**	139,850,570	–
Additions	11	**–**	–	47
Balance at end of year		**15,609,146,971**	15,609,146,971	15,469,296,401
RETAINED EARNINGS				
Balance at beginning of year		**4,340,073,393**	4,353,969,525	(397,266,022)
Dividends	11	**(523,216,473)**	–	–
Net income (loss)		**(5,152,575)**	(13,896,132)	4,751,235,547
Balance at end of year		**3,811,704,345**	4,340,073,393	4,353,969,525
TREASURY SHARES - at Cost				
Balance at beginning of year		**(524,282,902)**	(1,213,526)	(1,213,526)
Additions	11	**–**	(523,069,376)	–
Balance at end of year		**(524,282,902)**	(524,282,902)	(1,213,526)
		₱21,598,891,686	₱22,127,260,734	₱22,664,226,242

See accompanying Notes to Separate Financial Statements.

ALPHALAND CORPORATION

SEPARATE STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31		
		2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		**(₱5,132,971)**	(₱14,003,730)	₱4,751,343,950
Adjustments for:				
Depreciation	8	**4,459,845**	4,289,009	4,289,009
Interest income	4	**(642,268)**	(2,110,484)	(2,833,567)
Unrealized foreign exchange loss (gain)		**–**	7,948,244	(358,659)
Dividend income	7	**–**	–	(4,776,785,714)
Operating loss before changes in working capital		**(1,315,394)**	(3,876,961)	(24,344,981)
Decrease (increase) in:				
Receivables		**(2,009,134)**	(36,677)	868,395
Other current assets		**918,384**	(930,937)	(200,027)
Increase (decrease) in payables and other current liabilities		**436,959**	(715,196)	30,089,813
Net cash generated from (used for) operations		**(1,969,185)**	(5,559,771)	6,413,200
Interest received		**642,268**	2,110,484	2,833,567
Net cash provided by (used in) operating activities		**(1,326,917)**	(3,449,287)	9,246,767
CASH FLOWS FROM INVESTING ACTIVITIES				
Additional (collection) of:				
Advances to related companies		**(86,019,536)**	(12,061,238)	(63,998,684)
Investments in and advances to subsidiaries		**85,182,076**	(189,020,910)	(512,207,630)
Acquisition of aircraft	8	**(6,815,770)**	–	–
Dividends received	11	**–**	–	4,776,785,714
Net cash provided by (used in) investing activities		**(7,653,230)**	(201,082,148)	4,200,579,400
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Dividends	11	**(523,182,383)**	–	–
Advances from related parties		**(15,534,501)**	(546,069,044)	(120,381,466)
Proceeds from:				
Advances from related parties		**455,677,672**	598,411,708	559,162,291
Issuance of new shares		**–**	–	48
Payments of long-term debt	10	**–**	–	(4,776,785,714)
Net cash provided by (used in) financing activities		**(83,039,212)**	52,342,664	(4,338,004,841)

(Forward)

		Years Ended December 31		
	Note	**2021**	2020	2019
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**₱–**	(₱7,948,244)	₱358,659
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(92,019,359)**	(160,137,015)	(127,820,015)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Cash and cash equivalents	4	**93,731,617**	253,868,632	2,853,751
Restricted cash	10	**–**	–	378,834,896
		93,731,617	253,868,632	381,688,647
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**₱1,712,258**	₱93,731,617	₱253,868,632

See accompanying Notes to Separate Financial Statements.

ALPHALAND CORPORATION

NOTES TO SEPARATE FINANCIAL STATEMENTS

1. Corporate Information

Alphaland Corporation (ALPHA or the Company) is a holding company incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 19, 1990 primarily to acquire by purchase, negotiation or otherwise and to hold for investment or mortgage, pledge or otherwise deal with or dispose of stocks, bonds or any other obligations or securities of any entity or entities.

The registered and principal office address of ALPHA is Alphaland Makati Place, 7232 Ayala Ave. ext. cor. Malugay Street, Makati City.

The separate financial statements as at December 31, 2021 and 2020 and for the three years ended December 31, 2021, 2020 and 2019 were approved and authorized for issue by the Executive Committee of the Board of Directors (BOD) on March 3, 2022.

2. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of the separate financial statements have been consistently applied to all the years presented, unless otherwise indicated.

<u>Basis of Preparation</u>

The separate financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) issued and approved by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The Company also prepares and issues consolidated financial statements for the same period in accordance with PFRS. In the consolidated financial statements, the subsidiary undertakings have been fully consolidated. Users of these separate financial statements should read them together with the consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated financial performance and consolidated cash flows of ALPHA and its subsidiaries. The consolidated financial statements may be obtained at the Company's registered office address and at the SEC.

Measurement Bases

The separate financial statements are presented in Philippine Peso (Peso), which is the Company's functional currency. All amounts represent absolute values, unless otherwise stated.

The separate financial statements of the Company have been prepared on a historical cost basis, except for aircraft which is measured at revalued amount. Historical cost is generally based on the fair value of the consideration given in exchange of assets and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses market observable data as far as possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Notes 8 and 15.

Amendments to PFRS in Issue But Not Yet Effective
Relevant amendments to PFRS which are not yet effective for the year ended December 31, 2021 and have not been applied in preparing the separate financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendment included an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* or IFRIC 21, *Levies,* instead of the Conceptual Framework. The requirement would ensure that the liabilities recognized in a business combination would remain the same as those recognized applying the current requirements in PFRS 3. The amendment also added an explicit statement that contingent assets acquired in a business combination should not be recognized by an acquirer. The amendments should be applied prospectively.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS 2018 to 2020 Cycle:

  - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2023 -

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2, *Making Materiality Judgements*, is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS is not expected to have any material effect on the separate financial statements of the Company. Additional disclosures will be included in the separate financial statements, as applicable.

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the separate statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of a financial asset largely depends on the Company's business model and the instrument's contractual cash flow characteristics.

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2021 and 2020, the Company does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized, impaired and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

This category includes cash and cash equivalents, nontrade receivables, advances to related companies and advances to subsidiaries.

Cash and Cash Equivalents. Cash and cash equivalents includes cash in banks and short-term investments which are highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

This category includes payables and other current liabilities (excluding provisions and statutory payables), advances from related companies and long-term debt.

Impairment of Financial Assets at Amortized Cost
The Company records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

The Company measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

Financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Company has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset and the net amount is reported in the separate statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the separate statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Other Current Assets
This account consists mainly of excess of input value-added tax (VAT) over output VAT, advances to a service provider and creditable withholding taxes (CWT).

Input VAT. Expenses and assets are recognized net of the amount of VAT, except (a) where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and (b) payables that are stated with the amount of tax included.

Advances to a Service Provider. Advances to a service provider are amounts paid in advance for the purchase of services in connection with the Company's operations. These are charged to expense or capitalized in the separate statements of financial position, upon actual receipt of services. These are considered as nonfinancial assets as these will be applied against future billings from the service provider.

CWT. CWT represents the amount withheld by the Company's customers in relation to its income. This can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. This is stated at its net realizable amount.

Investments in Subsidiaries
Subsidiaries are entities controlled by the Company. The Company has control when it is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to elements evidencing control.

The Company recognizes dividends from its subsidiaries in profit or loss when its right to receive the dividend is established.

The Company carries its investment in subsidiaries using the cost method. Under the cost method, investments are carried in the Company's separate statements of financial position at cost less any impairment in value.

Aircraft

The Company adopted the revaluation model in measuring its aircraft. Under the revaluation model, aircraft is initially recorded at cost and subsequently measured at fair value less accumulated depreciation and impairment losses, if any. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Additions subsequent to the last appraisal date are stated at acquisition cost.

A revaluation increase is recorded initially in other comprehensive income and accumulated to the revaluation surplus in equity. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. A revaluation decrease is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in revaluation surplus in equity in which case the decrease is recognized in other comprehensive income.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Each part of the aircraft with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation of aircraft and its major components is computed on a straight-line basis over the estimated useful life of 15 to 23 years.

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of aircraft.

The aircraft is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Impairment of Nonfinancial Assets

Nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued and outstanding. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Incremental costs directly attributable to the issue of new capital stock are recognized as a deduction, net of tax, from the equity.

Retained Earnings

Retained earnings represent accumulated earnings and losses of the Company, net of dividend distribution, if any.

Treasury Shares

Treasury shares are own equity instruments which are reacquired. These are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as additional paid-in capital. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them.

Interest Income

Interest income is recognized as the interest accrues taking into account the effective yield on the assets, net of final tax.

Dividend Income

Dividend income is recognized when the Company's right to receive the dividend is established.

Other Income

Income from other sources is recognized when earned during the period.

Expense Recognition

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletion of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. These are expensed as incurred.

Income Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Deferred Tax. Deferred tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Company plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Foreign Currency-Denominated Transactions

Transactions denominated in foreign currencies are initially recorded in Peso using the exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency using the rate of exchange prevailing at the reporting date. Foreign exchange differences between the rate at transaction date and settlement date or reporting date are credited to or charged against profit or loss. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the dates of initial transactions.

Related Parties and Transactions

A related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies

Contingent liabilities are not recognized in the separate financial statements. These are disclosed in the notes to separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the separate financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the separate financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to separate financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the separate financial statements in accordance with PFRS requires management to exercise judgment, make estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the separate financial statements. The judgments, estimates and assumptions used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as at reporting date. While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgments
In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the separate financial statements.

Determining the Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be Peso. Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the operations of the Company.

Establishing Control over Subsidiaries. The Company determined that it has control over its subsidiaries by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following were also considered:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual agreements
- The Company's voting rights and potential voting rights

Evaluating Legal Contingencies. There are ongoing litigations involving the Company which management believes would not have a material adverse impact on the Company's financial condition and results of operations. The estimate of the probable costs for the resolution of possible claims have been developed in consultation with legal counsel handling the Company's defense in these matters and is based upon an analysis of potential results (see Note 16).

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Assessing ECL on Financial Assets at Amortized Cost. The Company determines allowance for impairment losses based on ECL. The Company assessed that cash and cash equivalents are deposited with reputable banks that possess good credit ratings, and accordingly, have minimal risk of default.

Nontrade receivables, advances to related companies and advances to subsidiaries are noninterest-bearing and due and demandable. These credit exposures are considered to be in default when there is evidence that the counterparty is in significant financial difficulty such that it will not have sufficient liquid assets to repay its obligation upon demand. This is assessed based on a number of factors, including key liquidity and solvency ratios. After taking into consideration the counterparties' ability to pay depending on the sufficiency of liquid assets and available forward-looking information, the risk of default is assessed to be minimal.

No impairment loss was recognized in 2021, 2020 and 2019. The carrying amounts of financial assets carried at amortized cost are as follows:

	Note	**2021**	2020
Cash and cash equivalents	4	**₱1,712,258**	₱93,731,617
Nontrade receivables	5	**2,507,070**	485,816
Advances to related companies	12	**183,020,269**	97,000,733
Advances to subsidiaries*	7	**9,399,665,044**	9,465,625,406

Estimating Useful Lives of Aircraft and its Major Components. The Company estimates the useful life based on the period over which these assets are expected to be available for use. The estimated useful life is reviewed periodically and is updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of aircraft and its major components in 2021 and 2020.

Determining Fair Value of Aircraft Measured at Revalued Amount. Management uses valuation techniques where active market quotes are not available to determine the fair value of nonfinancial assets. This includes developing estimates and assumptions consistent with how market participants would price the asset. As at reporting date, the management has assessed that the carrying amount of acquired aircraft approximates its fair value.

The carrying amount of aircraft amounted to ₱71.0 million and ₱68.6 million as at December 31, 2021 and 2020, respectively (see Note 8).

Estimating Nonfinancial Assets for Impairment. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that can materially affect the separate financial statements.

No impairment loss on nonfinancial assets was recognized in 2021, 2020 and 2019. The carrying amounts of significant nonfinancial assets are as follows:

	Note	**2021**	2020
Other current assets	6	**₱23,204,667**	₱24,142,655
Investments in subsidiaries	7	**13,623,763,123**	13,623,763,123
Aircraft	8	**70,980,068**	68,624,143

Assessing Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The Company's assessment of the recognition of deferred tax assets is based on the projected taxable income in the following periods. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Management has assessed that it is not probable that sufficient taxable income will be available to allow the deferred tax assets to be utilized. Unrecognized deferred tax assets amounted to ₱6.4 million and ₱9.6 million as at December 31, 2021 and 2020, respectively (see Note 13).

4. Cash and Cash Equivalents

This account consists of:

	2021	2020
Cash in banks	**₱1,712,258**	₱2,786,270
Short-term investments	**–**	90,945,347
	₱1,712,258	₱93,731,617

Cash in banks earn interest at prevailing bank deposit rates. Short-term investments are made for varying periods of up to three months depending on the immediate cash requirements of the Company, and earn interest at the prevailing short-term investment rates.

Interest earned amounted to ₱642,268, ₱2.1 million and ₱2.8 million in 2021, 2020 and 2019, respectively.

5. Receivables

This account consists of:

	2021	2020
Nontrade	**₱2,507,070**	₱485,816
Advances to employees of a related company	**17,370**	29,490
	₱2,524,440	₱515,306

Nontrade receivables are unsecured, noninterest-bearing and are generally collectible within one year.

Advances to employees of a related company are noninterest-bearing and are subject to liquidation.

6. **Other Current Assets**

This account consists of:

	2021	2020
Input VAT	**₱23,162,238**	₱23,088,079
Advances to a service provider	**–**	814,669
CWT	**37,760**	57,364
Others	**4,669**	182,543
	₱23,204,667	₱24,142,655

7. **Investments in and Advances to Subsidiaries**

This account consists of:

	Note	**2021**	2020
Investments in subsidiaries		**₱13,623,763,123**	₱13,623,763,123
Advances to subsidiaries	12	**9,399,665,044**	9,465,625,406
		₱23,023,428,167	₱23,089,388,529

Details of the acquisition costs of investments in subsidiaries as at December 31, 2021 and 2020 are as follows:

	Note	Amount
Paid-up Capital:		
Alphaland Southgate Tower, Inc. (ASTI)		₱11,978,987,410
Alphaland Balesin Island Resort Corporation (ABIRC)		1,290,581,165
Alphaland Aviation, Inc. (AAI)		49,999,500
Alphaforce Security Agency, Inc. (ASAI)		19,158,843
Aegle Wellness Center, Inc. (AWCI)		18,750,000
Alphaland Reclamation Corporation (ARC)		6,663,705
Alphaland International, Inc. (AII)		6,250,000
Alphaland International, Inc. - BVI (AIIBVI)		800,000
Lodgepole Holdings Inc. (LHI)		625,000
Redstone Mountain Holdings, Inc. (RMHI)		625,000
Mt. Baguio Holding Estates Inc. (MBHEI)		625,000
Pinecrest Holdings, Inc. (PHI)		625,000
Alphaland Baguio Mountain Log Homes, Inc. (ABMLHI)		62,500
Alphaland International Balesin Gateway, Inc. (ABIGI)		10,000
		13,373,763,123
Deposits for investment in equity shares of AAI	12	250,000,000
		₱13,623,763,123

Details of the Company's unpaid subscription as at December 31, 2021 and 2020 are as follows:

	Amount
AWCI	₱56,250,000
AII	18,750,000
LHI	1,875,000
RMHI	1,875,000
MBHEI	1,875,000
PHI	1,875,000
ABMLHI	187,500
	₱82,687,500

Further information about the subsidiaries of the Company is as follows:

Company	Nature of Business	Percentage of Effective Ownership 2021 and 2020
ASTI	Real property development	100
ABMLHI	Real property development	100
ABIGI	Real property development	100
ARC	Real property development	100
ABIRC	Real property development	100
AAI	Aviation	100
AWCI	Wellness center	100
AII	Holding company	100
AIIBVI	Holding company	100
RMHI	Holding company	100
LHI	Holding company	100
MBHEI	Holding company	100
PHI	Holding company	100
ASAI	Security agency	80

- ASTI was incorporated and registered with the Philippine SEC on May 29, 2007 as Alphaland Corporation. The Philippine SEC approved the change in its corporate name to "Alphaland Development, Inc." on December 28, 2009 and then to "Alphaland Southgate Tower, Inc." on October 15, 2015.

  ASTI's main property is a 20-storey office tower building with a six-storey podium shopping mall known as Alphaland Southgate Tower which was sold in 2019.

  In 2019, ASTI declared and paid dividends to the Company amounting to ₱4,776.8 million.

- ABMLHI was incorporated and registered with the Philippine SEC on January 17, 2013 as Alphaland Holdings Company, Inc. On September 7, 2016, the Philippine SEC approved the change in its corporate name to "Alphaland Baguio Mountain Log Homes, Inc."

  ABMLHI's main project is the Alphaland Baguio Mountain Lodges Project which pertains to 86.7 hectares of land situated in Benguet that is currently being developed as horizontal condominium for sale.

- ABIGI was incorporated and registered with the Philippine SEC on May 19, 2010 as Aklan Boracay Properties, Inc. The Philippine SEC approved the change in the corporate name to "Alphaland Balesin Gateway, Inc." on October 17, 2016 then to "Alphaland Balesin International Gateway, Inc." on April 10, 2018.

- ARC was incorporated and registered with the Philippine SEC on April 5, 2011 primarily to engage in the construction of reclamation projects and to contract for and perform reclamation works.

- ABIRC was incorporated and registered with the Philippine SEC on May 26, 2010 primarily 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.

- AAI was incorporated and registered with the Philippine SEC on July 31, 2012 primarily to engage 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.

  In 2019, the Company applied its advances to AAI amounting to ₱750,000 in exchange for additional shares of stocks of AAI.

  On November 30, 2020, the Company entered into a deed of conveyance with AAI covering the 94,306,279 ALPHA shares owned by AAI at a price amounting to ₱523.1 million (see Note 12).

- AWCI was incorporated and registered with the Philippine SEC on September 28, 2015 primarily to provide diagnostic, therapeutic and naturopathic services using formulated herbal supplements and natural health products and sale of such herbal supplements.

- AII was incorporated and registered with the Philippine SEC on January 29, 2014 primarily to market assets, including club shares and condominium units of ALPHA and its subsidiaries outside the Philippine market.

- AIIBVI was incorporated and registered in the British Virgin Islands on September 6, 2002 as a holding company.

- RMHI, LHI, MBHEI and PHI were incorporated and registered with the Philippine SEC in 2018 primarily to invest in, purchase, or otherwise acquire and own, hold, 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.

- ASAI was incorporated and registered with the Philippine SEC on March 18, 2011 primarily to engage in the business of providing security and investigation services to private institutions and government organizations.

8. Aircraft

Movements in this account are as follows:

	2021	2020
Cost		
Balance at beginning and end of year	**₱98,337,025**	₱98,337,025
Additions	**6,815,770**	–
Balance at end of year	**105,152,795**	98,337,025
Accumulated Depreciation		
Balance at beginning of year	**29,712,882**	25,423,873
Depreciation	**4,459,845**	4,289,009
Balance at end of year	**34,172,727**	29,712,882
Carrying Amount	**₱70,980,068**	₱68,624,143

The management evaluated that the carrying amount of the aircraft acquired in 2014 approximates the fair value as at December 31, 2021 and 2020.

9. Payables and Other Current Liabilities

This account consists of:

	Note	**2021**	2020
Nontrade payables	12	**₱30,322,239**	₱29,504,323
Provisions		**11,190,252**	11,314,070
Accrued expenses		**251,206**	510,292
Dividends payable	11	**34,090**	–
Statutory payables		**4,446**	2,499
		₱41,802,233	₱41,331,184

Nontrade payables mainly pertain to liabilities assumed by the Company in favor of a related company (see Note 12). These are unsecured, noninterest-bearing and payable on demand.

Provisions pertain to probable losses in the normal course of business. In 2020 and 2019, the Company recognized provision for probable losses amounting to ₱70,729 and ₱11.2 million, respectively, in the separate statements of comprehensive income. As allowed under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, certain information is not disclosed until final settlement as it might prejudice the Company's position on the matter.

Accrued expenses mainly pertain to accruals for normal operating expenses which are generally settled within the next financial reporting year.

Statutory payables are payables to government agencies which are normally settled within the next financial reporting year.

10. **Long-Term Debt**

The Company had an Omnibus Loan and Security Agreement (OLSA) with BDO for a loan facility aggregating ₱6,726.0 million from 2017 to refinance loans and to finance new projects and working capital requirements of the Group. The loan was payable in seven years, commencing one year after initial drawdown date. BDO then assigned the long-term loan under the OLSA with outstanding balance of ₱5,653.2 million, inclusive of interest and adjustments as of January 23, 2019, to the Philippine Bank of Communications - Trust and Wealth Management Group pursuant to an Assignment Agreement on the same date. The loan was fully settled in 2019.

Effective interest rates of the long-term debt range from 7.1% to 9.2% in 2019. Interest expense on the loan amounting to ₱199.9 million in 2019 was transferred by the Company to its subsidiaries based on their proportionate allocation of loan proceeds.

The Company was required to maintain a Debt Service Reserve Account (DSRA) in relation to the long-term debt. The DSRA with balance of ₱378.8 million as at December 31, 2018 was released in 2019 upon full settlement of the loan.

11. **Equity**

Capital Stock

Details of the Company's capital stock consisting of common shares as at December 31 are as follows:

	2021		2020	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized capital stock (₱0.10 par value)				
Balance at beginning and end of year	**50,000,000,000**	**₱5,000,000,000**	50,000,000,000	₱5,000,000,000
Issued				
Beginning of year	**27,013,232,720**	**₱2,702,323,272**	28,411,738,420	₱2,842,173,842
Revisions to deed of subscription	–	–	(1,398,505,700)	(139,850,570)
End of year	**27,013,232,720**	**2,702,323,272**	27,013,232,720	2,702,323,272
Treasury				
Beginning	**(98,545,279)**	**(524,282,902)**	(4,239,000)	(1,213,526)
Additions	–	–	(94,306,279)	(523,069,376)
End of year	**(98,545,279)**	**(524,282,902)**	(98,545,279)	(524,282,902)
Outstanding	**26,914,687,441**	**₱2,178,040,370**	26,914,687,441	₱2,178,040,370

On January 2, 2020, a group of shareholders reduced the number of their subscribed ALPHA shares from 1,864,664,150 to 466,158,450. ALPHA and the shareholders executed a new Deed of Subscriptions (Deed) to supersede the previous Deed executed by the parties on June 11, 2018. This resulted to a decrease in capital stock and increase in additional paid-in capital amounting to ₱139.9 million.

In 2019, the Company issued 10 common shares. The resulting additional paid-in capital amounted to ₱47.

The total number of shareholders, which includes PCD Nominee Corporation, is 89 and 87 as at December 31, 2021 and 2020, respectively.

Treasury Shares

In 2020, the Company acquired additional 94,306,279 treasury shares amounting to ₱523.1 million from AAI as covered by a deed of conveyance executed by both parties (see Note 12).

Retained Earnings

On March 3, 2021, the BOD of ALPHA resolved that ₱2.0 billion out of the retained earnings shall be appropriated to fund the corporate projects and programs to be identified and approved by the Executive Committee of the BOD.

On July 30, 2021, the BOD approved the declaration of cash dividend of ₱523.2 million or ₱0.04 per share on all of the outstanding shares of the Corporation, payable on August 4, 2021 to the holder of record as of July 15, 2021. Dividends payable amounted to ₱34,090 as at December 31, 2021 (see Note 9).

12. Related Party Transactions

The Company, in its regular conduct of business, has transactions with its related parties. The following table summarizes the transactions with the related parties and outstanding balance arising from these transactions.

	Nature of Transactions	Amount of Transactions 2021	Amount of Transactions 2020	Outstanding Balance 2021	Outstanding Balance 2020
Advances to Related Companies					
Entities under common key management	Cash advances	**₱–**	₱41,511,188	**₱41,511,188**	₱41,511,188
	Reimbursements of expenses	**–**	–	**37,859,569**	37,859,569
Entities under common control	Cash advances	**86,019,536**	–	**99,732,150**	13,712,614
Stockholder	Cash advances	**–**	–	**3,917,362**	3,917,362
				₱183,020,269	₱97,000,733
Advances to Subsidiaries					
Subsidiaries	Cash advances	**₱310,896,539**	₱292,491,339	**₱7,698,744,567**	₱7,975,589,454
	Reimbursement of expenses	**316,469,311**	368,672	**1,700,920,477**	1,490,035,952
				₱9,399,665,044	₱9,465,625,406
Deposit for future stock investment					
Subsidiary	Deposit for future stock investment	**₱–**	₱–	**₱250,000,000**	₱250,000,000
Nontrade Payables					
Entity under common key management	Stock transfers service	**₱180,000**	₱180,000	**₱–**	₱–
Advances from Related Companies					
Stockholder	Settlement of long-term debt and interest	**₱–**	₱–	**₱944,109,218**	₱944,109,218
	Cash advances	**360,721,531**	–	**379,815,735**	19,094,204
Subsidiaries	Treasury share acquisition	**–**	–	**158,062,197**	158,062,197
	Cash advances	**227,202**	–	**50,359,403**	50,132,201
Entities under common key management	Cash advances	**103,852,658**	–	**129,026,689**	25,174,031
	Reimbursements of expenses	**10,097,995**	5,983,073	**3,030,270**	8,239,214
				₱1,664,403,512	₱1,204,811,065

Terms and Conditions of Transactions with Related Parties

Outstanding balances of transactions with related parties are noninterest-bearing, unsecured, settlement occurs in cash or equity upon demand. No impairment loss was recognized on amounts receivable from related parties.

Acquisition of Treasury Shares

On November 30, 2020, the Company entered into a deed of conveyance with AAI covering the 94,306,279 ALPHA shares owned by AAI at a price amounting to ₱523.1 million (see Note 11). In consideration for the acquisition price, the Company agreed to offset the advances made by the Company to AAI as of the transaction date amounting to ₱365.0 million and the balance amounting to ₱158.1 million be payable within five years.

Deposit for Future Stock Investment

On September 9, 2019, AAI's BOD approved the amendment of its Articles of Incorporation increasing its authorized capital stock from 50,000,000 common shares with ₱1 par value per share to 300,000,000 common shares with ₱1 par value per share. The proposed increase in authorized capital stock was filed with the SEC in September 2019.

As at December 31, 2021, the application of AAI for the increase in authorized capital stock is still pending approval from the SEC.

Advances to AAI amounting to ₱250.0 million was earmarked as "Deposit for future stock investment" while awaiting the issuance of shares of stock.

Nontrade Payables

In 2020, the Company assumed liabilities of ABIGI amounting to ₱25.0 million (see Note 9).

Stock Option Plan

The Company's Stock Option Plan was approved by the BOD of the Company on June 5, 2013, and by stockholders representing more than 2/3 of the outstanding capital stock of the Company during the annual meeting held on December 3, 2014. On November 27, 2017, June 9, 2017, and December 19, 2016, the Stock Option Plan Committee awarded stock options to key officers and employees of the Company. Additional stock option awards were given on May 30, 2019, June 5, 2019, and September 18, 2019 to qualified personnel of the Company. The effectivity date of the grant is one year after an option is awarded to the employee. One-third (1/3) of the total number of shares covered by a grant to an employee shall vest upon the effectivity of the grant. Another 1/3 of the shares shall vest one year after the effectivity date and the remaining 1/3 of the shares shall vest two years after the effectivity date of the grant. The Stock Option Plan was approved by the SEC on July 24, 2019. Furthermore, the Stock Option Plan shall not vest until the listing of the Company in a stock exchange.

Compensation of Key Management Personnel

Key management personnel of the Company are also officers of a subsidiary. These key management personnel do not receive direct compensation from the Company, but from its subsidiary.

13. **Income Taxes**

The current provision for income tax represents the Company's MCIT in 2021 and 2019. There is no provision for current income tax in 2020 due to the Company's gross loss and tax loss position.

The following deferred tax assets were not recognized as it is not probable that sufficient taxable profit will be available to allow the benefit of the net deferred tax assets to be utilized in the future:

	2021	2020
NOLCO	**₱6,411,572**	₱7,261,616
MCIT	**20,409**	2,505
Unrealized foreign exchange loss	**–**	2,384,473
	₱6,431,981	₱9,648,594

The details of MCIT which can be claimed as deduction from income tax due are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Expiry Year
2021	₱–	₱19,604	₱–	₱19,604	2024
2019	805	–	–	805	2022
2018	1,700	–	(1,700)	–	2021
	₱2,505	₱19,604	(₱1,700)	₱20,409	

On September 30, 2020, the Bureau of Internal Revenue issued Revenue Regulations No. 25-2020 to implement Section 4 (bbbb) of Republic Act No. 11494, *Bayanihan to Recover as One Act*, allowing the Company's net operating losses for the taxable years 2020 and 2021 to be carried over for the next five consecutive taxable years immediately following the year of such loss.

The details of NOLCO incurred in each taxable year, which can be claimed as deduction from future taxable income is shown below:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Expiry Year
2021	₱–	₱9,232,767	₱–	₱9,232,767	2026
2020	3,421,038	–	–	3,421,038	2025
2019	12,992,481	–	–	12,992,481	2022
2018	7,791,869	–	(7,791,869)	–	2021
	₱24,205,388	₱9,232,767	(₱7,791,869)	₱25,646,286	

The reconciliation of income tax computed at statutory tax rate to provision for income taxes shown in the separate statements of comprehensive income are as follows:

	2021	2020	2019
Income tax computed at statutory tax rate	**(₱1,283,242)**	(₱4,201,119)	₱1,425,403,185
Change in unrecognized deferred tax assets	**(1,608,932)**	1,081,659	(10,642,060)
Add (deduct) tax effects of:			
Expired NOLCO	**1,947,967**	2,328,087	14,540,609
Nondeductible expenses	**1,122,678**	1,315,882	4,692,453
Interest income subjected to final tax	**(160,567)**	(633,145)	(850,070)
Expired MCIT	**1,700**	1,038	–
Nontaxable income	**–**	–	(1,433,035,714)
Income tax computed at effective tax rate	**₱19,604**	(₱107,598)	₱108,403

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") was approved and signed into law by the country's President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets and total amount of taxable income. In addition, the MCIT was changed from 2% to 1% of gross income for a period of three years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

In 2021, the current income tax rate used in preparing the separate financial statements is 25% RCIT and 1% MCIT. In 2020, however, the enactment of the CREATE Act was treated as a non-adjusting event and the current income tax rate used in preparing the 2020 separate financial statements is 30% RCIT and 2% MCIT. The impact of reduction in tax rate is accounted for in 2021.

14. Risk Management Objectives and Policies

The Company's financial instruments comprise of cash and cash equivalents, nontrade receivables, advances to related companies, advances to subsidiaries, payables and other current liabilities (excluding statutory payables), advances from related companies and long-term debt. The main purpose of these financial instruments is to raise funds for the Company's operations.

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and manage the Company's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to credit risk, liquidity risk and market risk from the use of its financial instruments. The BOD reviews and approves the policies for managing each of these risks.

Credit Risk

Credit risk represents the risk of loss the Company would incur if counterparties fail to perform their contractual obligations.

Maximum Exposure to Credit Risk. The carrying amounts of cash and cash equivalents, nontrade receivables, advances to related companies and advances to subsidiaries generally represent the Company's maximum exposure to credit risk in relation to financial assets. The Company transacts only with recognized and creditworthy third parties and related companies, therefore, there is no requirement for collateral. There are no other concentrations of credit risk within the Company.

Credit Quality of Financial Assets. The credit quality of financial assets is managed by the Company using internal credit ratings such as high grade and standard grade.

High Grade - consists of financial assets from counterparties with good financial condition and with relatively low defaults, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies.

Standard Grade - pertains to financial assets having risks of default but are still collectible.

Past due but not impaired - pertains to financial assets where contractual payments are past due but the Company believes that impairment is not appropriate based on the probability of collection of amounts owed to the Company.

Impaired - pertains to financial assets for which the Company determines that it is probable that it will not be able to collect the amount due based on the contractual terms and agreements.

The Company's cash and cash equivalents and advances to a related companies are considered high grade as these pertain to deposits and placements in reputable banks and the related companies are not expected to default in settling its obligations.

The table below shows the credit quality by class of financial assets:

	2021				
		Neither Past Due nor Impaired		**Past Due but**	
	Total	**High Grade**	**Standard Grade**	**not Impaired**	**Impaired**
Cash and cash equivalents	**₱1,712,258**	**₱1,712,258**	**₱–**	**₱–**	**₱–**
Nontrade receivables	**2,507,070**	**–**	**2,507,070**	**–**	**–**
Advances to related companies	**183,020,269**	**183,020,269**	**–**	**–**	**–**
Advances to subsidiaries	**9,399,665,044**	**9,399,665,044**	**–**	**–**	**–**
	₱9,586,904,641	**₱9,584,397,571**	**₱2,507,070**	**₱–**	**₱–**

	2020				
		Neither Past Due nor Impaired		Past Due but	
	Total	High Grade	Standard Grade	not Impaired	Impaired
Cash and cash equivalents	₱93,731,617	₱93,731,617	₱–	₱–	₱–
Nontrade receivables	485,816	–	485,816	–	–
Advances to related companies	97,000,733	97,000,733	–	–	–
Advances to subsidiaries	9,465,625,406	9,465,625,406	–	–	–
	₱9,656,843,572	₱9,656,357,756	₱485,816	₱–	₱–

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time. Management is responsible for liquidity, funding as well as settlement management. In addition, liquidity and funding risk, related processes and policies are overseen by the management. The Company manages its liquidity risk based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The Company also maintains a balance between continuity of funding and flexibility. The policy of the Company is to first exhaust lines available from related companies before local bank lines are availed of. The Company seeks to manage its liquid funds through cash planning on a weekly basis. The Company uses historical figures and experiences and forecasts from its cash receipts and disbursements. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities. Also, the Company only places funds in the money market which are exceeding the Company's requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

The tables below summarize the maturity profile of the Company’s financial liabilities based on undiscounted cash flows:

	2021				
	On Demand	**Less than One Year**	**More than One Year up to Three Years**	**More than Three Years**	**Total**
Payables and other current liabilities*	**₱–**	**₱30,607,535**	**₱–**	**₱–**	**₱30,607,535**
Advances from related companies	**1,664,175,950**	**–**	**–**	**–**	**1,664,175,950**
	₱1,664,175,950	**₱30,607,535**	**₱–**	**₱–**	**₱1,694,783,485**

**Excluding provisions and statutory payables.*

	2020				
	On Demand	Less than One Year	More than One Year up to Three Years	More than Three Years	Total
Payables and other current liabilities*	₱–	₱30,014,615	₱–	₱–	₱30,014,615
Advances from related companies	1,204,811,065	–	–	–	1,204,811,065
	₱1,204,811,065	₱30,014,615	₱–	₱–	₱1,234,825,680

**Excluding provisions and statutory payables.*

Market Risk

Market risk is the risk of loss to future earnings, fair values or future cash flows that may result from changes in foreign currency exchange rates.

Foreign Currency Exchange Risk. The Company is subject to minimal transaction and translation exposures from currency exchange fluctuations in relation to its financial instruments. The Company regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates so as to minimize the risks related to these foreign currency-denominated assets and liabilities.

Capital Management

The primary objective of the Company’s capital management is to ensure that the Company has sufficient funds in order to support its business, pay existing obligations and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To manage or adjust the capital structure, the Company may obtain additional advances from stockholders, adjust the return of capital to stockholders or issue new shares. No changes were made in the objectives, policies or processes in 2021 and 2020. The Company monitors capital using the monthly cash position report and separate financial statements. The Company considers its equity as capital employed. The Company is not subject to externally imposed capital requirements.

15. Fair Value Measurement

The following tables present the carrying amount and fair value of the Company’s asset measured at fair value and the corresponding fair value hierarchy as at December 31.

		2021			
			Fair Value		
	Note	**Carrying Amount**	**Quoted price in active markets (Level 1)**	**Significant observable Inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Asset measured at fair value					
Aircraft	8	**₱70,980,068**	**₱–**	**₱70,980,068**	**₱–**

			2020		
			Fair Value		
	Note	Carrying Amount	Quoted price in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value					
Aircraft	8	₱68,624,143	₱–	₱68,624,143	₱–

As at December 31, 2021 and 2020, the management has assessed the carrying amount of the aircraft approximates its fair value based on review of market prices of similar assets.

There were no transfers between levels in the fair value hierarchy as at December 31, 2021 and 2020.

The table below presents the financial assets and liabilities of the Company whose carrying amounts approximate the fair values due to the short-term nature of the transactions:

	Note	**2021**	2020
Financial Assets			
Cash and cash equivalents	4	**₱1,712,258**	₱93,731,617
Nontrade receivables	5	**2,507,070**	485,816
Advances to related companies	12	**183,020,269**	97,000,733
Advances to subsidiaries	7	**9,399,665,044**	9,465,625,406
		₱9,586,904,641	₱9,656,843,572
Financial Liabilities			
Payables and other current liabilities*	9	**₱30,607,535**	₱30,014,615
Advances from related companies	12	**1,664,175,950**	1,204,811,065
		₱1,694,783,485	₱1,234,825,680

**Excluding provisions and statutory payables.*

Advances to subsidiaries are due and demandable but since the Company has no intention to collect these advances within one year, these are presented as part noncurrent assets. However, since the timing and amounts of future cash flows cannot be reasonably and reliably estimated, these are measured at transaction cost.

16. Contingencies

There are ongoing litigations involving the Company which are either pending decision by the proper judicial bodies or under negotiation, the outcome of which are presently undeterminable. The management has assessed, in consultation with their legal counsel, that 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 Company.

17. **Notes to Separate Statements of Cash Flow**

The Company's noncash activities are presented below:

	Note	**2021**	2020	2019
Application of advances to a subsidiary for treasury share acquisition	12	**₱–**	₱365,007,179	₱–
Transfer of interest expense to subsidiaries	12	**–**	–	199,876,702
Conversion of advances to a subsidiary to additional investment in shares	7	**–**	–	750,000
Conversion of advances to a subsidiary to additional investment in shares	12	**–**	–	250,000,000

The reconciliation of the Company's liabilities arising from financing activities is presented below:

	2020	**Cash Flows**	**Noncash Flows**	**2021**
Advances from related companies	**₱1,204,811,065**	**₱440,143,171**	**₱19,221,714**	**₱1,664,175,950**

	2019	Cash Flows	Noncash Flows	2020
Advances from related companies	₱1,527,191,219	₱52,342,664	(₱374,722,818)	₱1,204,811,065

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**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
Alphaland Corporation
Alphaland Makati Place
7232 Ayala Ave. ext. cor. Malugay Street
Makati City

We have audited the accompanying separate financial statements of Alphaland Corporation (the Company) as at December 31, 2021 and 2020 and for the three years ended December 31, 2021, 2020 and 2019, on which we have rendered our report dated March 3, 2022.

In compliance with the Revised Securities Regulation Code Rule 68 we are stating that as at December 31, 2021 and 2020, the Company has 75 and 73 stockholders owning 100 or more shares each.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until April 13, 2024
SEC Accreditation No. 27455-SEC Group A
Issued January 28, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-005-2019
Valid until October 16, 2022
PTR No. 8851704
Issued January 3, 2022, Makati City

March 3, 2022
Makati City, Metro Manila

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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Alphaland Corporation and Subsidiaries
Alphaland Makati Place
7232 Ayala Ave. ext. cor. Malugay Street
Makati City

Opinion

We have audited the accompanying consolidated financial statements of Alphaland Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years ended December 31, 2021, 2020 and 2019, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years ended December 31, 2021, 2020 and 2019 in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of financial reporting relief issued and approved by the Philippine Securities and Exchange Commission (SEC) (see Note 2).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report for the year ended December 31, 2021 is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until April 13, 2024
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Valid until October 16, 2022
PTR No. 8851704
Issued January 3, 2022, Makati City

March 3, 2022
Makati City, Metro Manila

ALPHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands, except for Book Value per Share)

	Note	December 31 2021	2020
ASSETS			
Current Assets			
Cash and cash equivalents	5	**₱1,171,738**	₱769,657
Trade and other receivables	6	**2,730,123**	1,110,323
Advances to related companies	17	**3,983,186**	4,111,702
Land and development costs and parking lots for sale	7	**2,773,582**	3,193,200
Club shares for sale	10	**1,071,311**	1,074,311
Other current assets	8	**1,196,483**	1,204,504
Total Current Assets		**12,926,423**	11,463,697
Noncurrent Assets			
Club shares for sale - net of current portion	10	**29,939,589**	30,437,589
Investment in and advances to an associate	9	**12,349**	12,349
Investment properties	11	**60,053,684**	58,776,917
Property and equipment	12	**9,963,624**	10,006,474
Other noncurrent assets	13	**176,463**	155,496
Total Noncurrent Assets		**100,145,709**	99,388,825
		₱113,072,132	₱110,852,522
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	14	**₱3,126,802**	₱2,939,216
Advances from related companies	17	**2,529,749**	2,342,111
Customers' deposits	18	**180,933**	107,980
Income tax payable		**624,352**	453,828
Total Current Liabilities		**6,461,836**	5,843,135
Noncurrent Liabilities			
Customers' deposits - net of current portion	18	**80,105**	120,519
Retirement liability	21	**94,809**	73,258
Net deferred tax liabilities	22	**19,988,067**	22,641,102
Other noncurrent liabilities		**388,291**	183,221
Total Noncurrent Liabilities		**20,551,272**	23,018,100
Total Liabilities		**27,013,108**	28,861,235

(Forward)

	Note	December 31 2021	2020
Equity Attributable to Equity Holders of the Parent Company			
Capital stock	16	**₱2,702,323**	₱2,702,323
Additional paid-in capital		**12,909,581**	12,909,581
Retained earnings	16	**61,016,926**	56,828,021
Other comprehensive income:			
Cumulative unrealized valuation gain on club shares for sale	10	**23,136,500**	23,482,648
Revaluation surplus	12	**3,664,880**	3,428,674
Accumulated remeasurement gain on retirement liability	21	**34,744**	46,325
		103,464,954	99,397,572
Less:			
Parent Company's shares held by a subsidiary	16	**16,881,220**	16,881,220
Cost of treasury shares	16	**524,283**	524,283
		86,059,451	81,992,069
Noncontrolling interests		**(427)**	(782)
Total Equity		**86,059,024**	81,991,287
		₱113,072,132	₱110,852,522
Book Value per Share	23	**₱6.579**	₱6.268

See accompanying Notes to Consolidated Financial Statements.

*Book value per share is computed based on number of shares outstanding. This information is intended as additional information for management reporting purposes only.

ALPHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, except for Earnings per Share)

	Note	Years Ended December 31		
		2021	2020	2019
REVENUES	19			
Real estate sales		**₱2,057,501**	₱1,034,902	₱1,115,616
Service income		**516,074**	399,695	530,538
Rental income	18	**336,323**	491,802	853,183
Interest income	5	**21,116**	28,072	26,545
Others		**95,449**	43,702	50,454
		3,026,463	1,998,173	2,576,336
COSTS AND EXPENSES	20			
Cost of real estate sold		**1,058,732**	452,170	552,587
Cost of services		**598,773**	608,213	761,631
General and administrative		**844,065**	964,780	1,121,855
		2,501,570	2,025,163	2,436,073
OTHER INCOME (CHARGES)				
Gain on fair value changes of investment properties	11	**1,605,797**	4,131,609	18,286,157
Finance costs	15	**(2,371)**	(2,593)	(192,058)
Net accounting loss on sale of Southgate Tower	11	**–**	–	(7,003,266)
Others - net		**21,813**	32,702	(6,284)
		1,625,239	4,161,718	11,084,549
INCOME BEFORE INCOME TAX		**2,150,132**	4,134,728	11,224,812
PROVISION FOR (BENEFIT FROM) INCOME TAX	22			
Current		**288,057**	154,250	826,587
Deferred		**(2,366,078)**	1,285,165	2,565,137
		(2,078,021)	1,439,415	3,391,724
NET INCOME		**4,228,153**	2,695,313	7,833,088
OTHER COMPREHENSIVE INCOME (LOSS)				
Not to be reclassified to profit or loss in subsequent years (net of tax):				
Unrealized valuation gain (loss) on club shares for sale	10	**(26,831)**	(1,129,004)	2,322,730
Revaluation gain	12	**107,409**	–	538,277
Effect of change in tax rate		**213,303**	–	–
Remeasurement gain (loss) and other adjustments on retirement liability	21	**(11,581)**	5,368	(4,393)
		282,300	(1,123,636)	2,856,614
TOTAL COMPREHENSIVE INCOME		**₱4,510,453**	₱1,571,677	₱10,689,702

(Forward)

	Note	Years Ended December 31 **2021**	2020	2019
Net income attributable to:				
Equity holders of the Parent Company		**₱4,227,798**	₱2,701,823	₱7,831,868
Noncontrolling interests		**355**	(6,510)	1,220
		₱4,228,153	₱2,695,313	₱7,833,088
Total comprehensive income attributable to:				
Equity holders of the Parent Company		**₱4,510,098**	₱1,578,187	₱10,688,482
Noncontrolling interests		**355**	(6,510)	1,220
		₱4,510,453	₱1,571,677	₱10,689,702
Total Comprehensive Income Per Share*				
Based on weighted average number of shares outstanding	23	**₱0.345**	₱0.120	₱0.733

See accompanying Notes to Consolidated Financial Statements.

*Total comprehensive income per share is computed based on weighted average number of shares outstanding. This information is intended as additional information for management reporting purposes only.

ALPHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Note	2021	2020	2019
		Years Ended December 31		
CAPITAL STOCK	16			
Balance at beginning of year		**₱2,702,323**	₱2,842,174	₱2,842,174
Reclassification to additional paid-in capital		**–**	(139,851)	–
Balance at end of year		**2,702,323**	2,702,323	2,842,174
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		**12,909,581**	12,769,730	12,769,730
Reclassification from capital stock		**–**	139,851	–
Balance at end of year		**12,909,581**	12,909,581	12,769,730
RETAINED EARNINGS				
Balance at beginning of year		**56,828,021**	53,419,451	45,295,494
Net income		**4,227,798**	2,701,823	7,831,868
Dividends	16	**(523,216)**	–	–
Reclassification adjustments	10	**373,397**	524,285	184,842
Amortization of revaluation surplus		**110,926**	182,462	107,247
Balance at end of year		**61,016,926**	56,828,021	53,419,451
OTHER COMPREHENSIVE INCOME				
Cumulative Unrealized Valuation Gain on Club Shares for Sale	10			
Balance at beginning of year		**23,482,648**	25,057,294	22,891,678
Reclassification adjustments		**(319,317)**	(445,642)	(157,114)
Unrealized valuation gain (loss)		**(26,831)**	(1,129,004)	2,322,730
Balance at end of year		**23,136,500**	23,482,648	25,057,294
Revaluation Surplus	12			
Balance at beginning of year		**3,428,674**	3,577,428	3,103,638
Effect of change in tax rate		**213,303**	–	–
Revaluation gain		**107,409**	–	538,277
Amortization of revaluation surplus		**(84,506)**	(148,754)	(64,487)
Balance at end of year		**3,664,880**	3,428,674	3,577,428
Accumulated Remeasurement Gain on Retirement Liability	21			
Balance at beginning of year		**46,325**	40,957	45,350
Remeasurement gain (loss) and other adjustments		**(11,581)**	5,368	(4,393)
Balance at end of year		**34,744**	46,325	40,957
		26,836,124	26,957,647	28,675,679

(Forward)

	Note	2021	2020	2019
		Years Ended December 31		
PARENT COMPANY'S SHARES HELD BY A SUBSIDIARY				
Balance at beginning and end of year	16	**(₱16,881,220)**	(₱16,881,220)	(₱16,881,220)
TREASURY STOCK				
Balance at beginning of year	16	**(524,283)**	(1,214)	(1,214)
Additions		**–**	(523,069)	–
Balance at end of year		**(524,283)**	(524,283)	(1,214)
NONCONTROLLING INTERESTS				
Balance at beginning of year		**(782)**	5,728	4,508
Share in net income (loss)		**355**	(6,510)	1,220
Balance at end of year		**(427)**	(782)	5,728
		₱86,059,024	₱81,991,287	₱80,830,328

See accompanying Notes to Consolidated Financial Statements.

ALPHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

		Years Ended December 31		
	Note	**2021**	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**₱2,150,132**	₱4,134,728	₱11,224,812
Adjustments for:				
Gain on fair value changes of investment properties	11	**(1,605,797)**	(4,131,609)	(18,286,157)
Depreciation and amortization	12	**339,920**	376,731	355,243
Retirement benefits	21	**21,551**	17,059	15,000
Interest income	5	**(21,116)**	(28,072)	(26,545)
Finance costs	15	**2,371**	2,593	192,058
Unrealized foreign exchange losses (gains)		**(1,119)**	8,240	741
Impairment loss on trade and other receivables	6	**–**	8,457	6,732
Gain on sale of aircraft	12	**–**	(4,430)	–
Net accounting loss from sale of Southgate Tower	11	**–**	–	7,003,266
Operating income before working capital changes		**885,942**	383,697	485,150
Decrease (increase) in:				
Trade and other receivables		**(1,642,707)**	466,084	172,544
Land and development costs and parking lots for sale		**770,418**	46,260	(193,864)
Other current assets		**7,227**	142,004	470,144
Increase (decrease) in:				
Trade and other payables		**183,785**	(486,467)	(1,250,712)
Customers' deposits		**32,539**	(48,305)	4,063
Other noncurrent liabilities		**194,517**	136,534	(11,723)
Net cash generated from (used in) operations		**431,721**	639,807	(324,398)
Income taxes paid		**(117,533)**	(206,198)	(387,761)
Interest received		**26,010**	32,966	31,439
Retirement benefits paid	21	**–**	(4,217)	–
Net cash provided by (used in) operating activities		**340,198**	462,358	(680,720)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from:				
Sale of club shares		**469,434**	723,048	111,309
Investment property	11	**–**	–	4,464,286
Property and equipment		**–**	–	26,540
Decrease (increase) in:				
Advances to related companies		**128,516**	(584,598)	(407,725)
Other noncurrent assets		**(8,339)**	34,578	25,302
Additions to:				
Property and equipment	12	**(163,959)**	(120,355)	(129,596)
Club shares for sale		**–**	(4,288)	(1,500)
Investment properties	11	**(22,532)**	(3,055)	(47,836)
Software	13	**(270)**	(1,106)	(3,458)
Net cash provided by investing activities		**402,850**	44,224	4,037,322

(Forward)

	Note	2021	2020	2019
		Years Ended December 31		
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	16	**(₱523,216)**	₱–	₱–
Increase (decrease) in advances from related companies		**187,638**	(207,107)	2,303,967
Payments of:				
Leases		**(5,991)**	(5,211)	(4,335)
Finance costs		**(1,311)**	(1,584)	(330,808)
Long-term debt		**–**	–	(5,322,427)
Net cash used in financing activities		**(342,880)**	(213,902)	(3,353,603)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**1,119**	(8,240)	(741)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**401,287**	284,440	2,258
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Cash and cash equivalents	5	**769,657**	494,184	110,157
Restricted cash	8	**10,142**	1,175	382,944
		779,799	495,359	493,101
CASH AND CASH EQUIVALENTS AT END OF YEAR				
Cash and cash equivalents	5	**1,171,738**	769,657	494,184
Restricted cash	8	**9,348**	10,142	1,175
		₱1,181,086	₱779,799	₱495,359

See accompanying Notes to Consolidated Financial Statements.

ALPHALAND CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Matters

Corporate Information

Alphaland Corporation (ALPHA or Parent Company) is a holding company incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 19, 1990. The principal business of ALPHA and its subsidiaries (collectively referred to as the "Group") is real property development.

The registered office address of ALPHA is at Alphaland Makati Place, 7232 Ayala Ave. ext. cor. Malugay Street, Makati City.

The consolidated financial statements as at December 31, 2021 and 2020 and for each of the three years ended December 31, 2021, 2020 and 2019 were approved and authorized for issuance by the Executive Committee of the Board of Directors (BOD) on March 3, 2022.

ALPHA's Legal Subsidiaries as at December 31, 2021, 2020, and 2019

Company	Place of Incorporation	Nature of Business	Percentage of Ownership
Alphaland Southgate Tower, Inc. (ASTI)	Philippines	Real property development	100
Alphaland Balesin Island Resort Corporation (ABIRC)	Philippines	Real property development	100
Alphaland Makati Place, Inc. (AMPI) [(a)]	Philippines	Real property development	100
Alphaland Baguio Mountain Log Homes, Inc. (ABMLHI)	Philippines	Real property development	100
Alphaland Balesin International Gateway, Inc. (ABIGI)	Philippines	Real property development	100
Alphaland Reclamation Corporation (ARC)	Philippines	Real property development	100
2258 Blue Holdings, Inc. (Blue Holdings) [(a)]	Philippines	Holding company	100
Alphaland Southgate Restaurants, Inc. (ASRI) [(a)]	Philippines	Restaurant operations	100
Alphaland International, Inc. (AII)	Philippines	Holding company	100
Alphaland Aviation, Inc. (AAI)	Philippines	Aviation	100
Alphaland Aviation - Pampanga, Inc. (AAPI) [(b)]	Philippines	Aviation	100
Aegle Wellness Center, Inc. (AWCI)	Philippines	Wellness center	100
Alphaland International, Inc. - BVI	British Virgin Islands	Holding company	100
Alphaland International, Inc. - Seychelles	Seychelles	Holding company	100
Superface Enterprises Limited	Hongkong	Holding company	100
Aegle Drugstore Inc. (ADI)	Philippines	Pharmacy	100
Choice Insurance Brokerage, Inc. (CIBI) [(d)]	Philippines	Insurance brokerage	100
Alphaforce Security Agency, Inc. (ASAI)	Philippines	Security agency	80
Redstone Mountain Holdings Inc. (RMHI)	Philippines	Holding company	100
Lodgepole Holdings, Inc. (LHI)	Philippines	Holding company	100
Mt. Baguio Holding Estates Inc. (MBHEI)	Philippines	Holding company	100
Top of the Alpha, Inc. (Top of the Alpha) [(c)]	Philippines	Restaurant operations	100
The Alpha Suites, Inc. (Alpha Suites) [(c)]	Philippines	Real estate company	100
Pinecrest Holdings, Inc. (PHI)	Philippines	Holding company	100

(a) Through ASTI
(b) Through AAI
(c) Through AMPI
(d) Through Blue Holdings

In 2021 and 2020, the country experienced the Corona Virus Disease (COVID-19) pandemic, resulting in a slowdown in the Philippine economy because of mandated lockdowns all over the country. Management has assessed that the effect of the global pandemic in the country did not have a significant impact on the Group's financial position as at December 31, 2021 and 2020. The Group's operations and financial performance is dependent on future developments, including the timeliness and effectiveness of government initiatives to control the spread of the virus and mitigate its impact.

On January 28, 2020, the BOD of CIBI approved a resolution to shorten the corporate life of the CIBI to eight years from the date of incorporation or November 6, 2020. Accordingly, CIBI changed its basis of accounting from the going concern basis to the liquidation basis.

No adjustment to the assets and liabilities of CIBI is considered necessary as management has assessed that the remaining assets can pay for the remaining liabilities and operating expenses until the dissolution of CIBI. As at December 31, 2021, CIBI is in the process of obtaining the required regulatory approvals for the dissolution.

2. Summary of Significant Accounting Policies

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS), as modified by the application of financial reporting relief issued and approved by the Philippine Securities and Exchange Commission (SEC) in response to the COVID-19 pandemic. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

In December 2020, the SEC issued Memorandum Circular (MC) No. 34, Series of 2020, which further extended the deferral of application of the provisions of Philippine Interpretations Committee (PIC) Question & Answer (Q&A) No. 2018-12 with respect to accounting for significant financing component and exclusion of land in the calculation of percentage of completion (POC) and IFRIC Agenda Discussion on over time transfers of constructed goods under PAS 23, *Borrowing Cost*, for another period of three years or until 2023.

The Group opted to avail the relief in connection with the accounting for significant financing component and borrowing cost. The impact of the application of such financial reporting relief is discussed in "Adoption of Amendments to PFRS and PIC Issuances Issued but Not Yet Effective or Adopted" section of notes to the consolidated financial statements.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All amounts are rounded to the nearest thousands unless otherwise stated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for the following:

- Club shares for sale which are designated at fair value through other comprehensive income (FVOCI);
- Investment properties which are measured at fair value; and

- Serviced residences and aircrafts presented under "Property and equipment" account which are stated at revalued amount.

Historical cost is generally based on the fair value of the consideration given in exchange of assets and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Notes 10, 11, 12 and 25.

Adoption of Amendment to PFRS and PIC Issuances

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendment to PFRS and PIC issuances which the Group adopted effective for annual periods beginning on or after January 1, 2021:

- Amendment to PFRS 16, *Leases - COVID-19-Related Rent Concessions beyond June 30, 2021* – In 2020, PFRS 16 was amended to provide practical expedient to lessees from applying the requirements on lease modifications for eligible rent concessions that is a direct consequence of COVID-19 pandemic. A lessee may elect not to assess whether eligible rent concessions from a lessor is a lease modification. A lessee that makes this election account for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for a change that is not a lease modification, e.g., as a variable lease payment. This amendment is effective for annual reporting periods beginning on or after June 1, 2020, with earlier application permitted, and covers eligible rent concessions until June 30, 2021. The Group applied the practical expedient in its financial statements for the year ended December 31, 2020.

Due to the continuing impact of the pandemic, another amendment to PFRS 16 was issued in 2021, which allows lessees to extend the application of the practical expedient regarding COVID-19 related rent concessions to reduction in lease payments that are due on or before June 30, 2022. The 2021 amendment is mandatory for entities that elected to apply the previous amendment. Accordingly, the Group has applied the amendment in the current year consolidated financial statements.

- *PIC Q&A 2018-12 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&A 2020-05) - Treatment of Uninstalled Materials in the Calculation of POC* – The PIC Q&A provides guidance in recognizing revenue using a cost-based input method. Customized materials should be included in the measurement of the progress of work while materials that are not customized should be excluded.

- *PIC Q&A 2018-12-H Accounting for Common Usage Service Area (CUSA) Charges* – The PIC Q&A provides guidance in assessing whether a real estate developer is acting as a principal or agent in certain services to its tenants. The assessment considers the indicators of when an entity controls the specified service (and is, therefore, a principal) such as whether the entity is primarily responsible for fulfilling the promise to provide the service, whether the entity has inventory risk and whether the entity has discretion in establishing the price.

- *PIC Q&A 2018-12-E Treatment of Land in the Determination of the POC* – The PIC Q&A clarified that the cost of the land should be excluded in measuring the POC of performance obligation and should be accounted for as fulfillment cost.

- *PIC Q&A 2020-05 Accounting for Cancellation of Real Estate Sales* – Under this PIC Q&A the sales cancellation and repossession of the property may be accounted by using any of the three approaches (a) the repossessed property is recognized at fair value less cost to repossess; (b) the repossessed property is recognized at fair value plus repossession cost; or (c) the cancellation is accounted for as a modification of the contract where the Group will have to reverse the previously recognized revenues and related costs. The approach selected shall be applied consistently.

The adoption of the foregoing amendment to PFRS 16 and PIC issuances did not have any material effect on the consolidated financial statements. Additional disclosures were included in the notes to consolidated financial statements, as applicable.

Amendments to PFRS and PIC Issuances in Issue But Not Yet Effective or Adopted
Relevant amendments to PFRS and PIC issuances which are not yet effective and have not been applied in preparing the consolidated financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendment included an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* or IFRIC 21, *Levies,* instead of the Conceptual Framework. The requirement would ensure that the liabilities recognized in a business combination would remain the same as those recognized applying the current requirements in PFRS 3. The amendment also added an explicit statement that contingent assets acquired in a business combination should not be recognized by an acquirer. The amendments should be applied prospectively.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are fist applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS 2018 to 2020 Cycle:

  - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

  - Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2, *Making Materiality Judgments*, is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Earlier application is permitted.

Deferred effectivity:

- Amendments to PFRS 10, *Consolidated Financial Statements,* and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost) for the Real Estate Industry* – In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under paragraph 35(c) of International Financial Reporting Standards 15 (PFRS 15). IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23 considering that these inventories are ready for their intended sale in their current condition.

On December 15, 2020, the SEC issued SEC MC No. 34, Series of 2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the real estate industry until December 31, 2023.

The Group availed of the SEC relief with respect to accounting for borrowing costs. The adoption of this guidance would have an impact on land and development costs, property and equipment, deferred taxes and the opening balance of retained earnings in the year of adoption.

- PIC Q&A 2018-12-D, *PFRS 15 Implementing Issues Affecting the Real Estate Industry (as amended by PIC Q&A 2020-04)*. On December 15, 2020, the SEC issued SEC MC No. 34-2020 providing relief to the real estate industry by deferring the application of "assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)" until December 31, 2023.

  The Group availed of the SEC relief with respect to accounting for significant financing component. The adoption of this guidance would have an impact to the interest income (expense), revenue from real estate sales, contract assets, income tax and the opening balance of retained earnings in the year of adoption. The Group is still assessing if the mismatch between the POC and right to an amount of consideration constitutes a significant financing component.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS and PIC issuances, except for the potential impact of accounting for borrowing costs and assessing if the transaction price includes a significant financing component, is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries. Subsidiaries are entities controlled by the Parent Company. Control is achieved when the Parent Company is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to elements evidencing control.

Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continue to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Noncontrolling interests (NCI) represent the portion of net results and net assets not held by the Parent Company. These are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the parent and are separately disclosed in the consolidated statements of comprehensive income. NCI pertains to the equity interest in ASAI as at and for the years ended December 31, 2021, 2020 and 2019.

Losses within a subsidiary are attributed to the NCI even if that results in a deficit balance.

If the Parent Company loses control over a subsidiary, it derecognizes the assets including goodwill, liabilities and NCI in the subsidiary. The Parent Company recognizes the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the consolidated statements of comprehensive income.

Business Combinations and Goodwill - Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any resulting gain or loss is recognized in profit or loss.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Financial Assets and Liabilities

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and, (c) financial assets at FVOCI. The classification of a financial asset largely depends on the Group's business model and the contractual cash flow characteristics of the instrument.

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2021 and 2020, the Group does not have financial assets and liabilities at FVPL.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Included in this category are cash and cash equivalents, trade and other receivables (excluding advances to officers and employees), advances to related companies, restricted cash (presented under "Other current assets" account), advances to an associate and refundable deposits (presented under "Other noncurrent assets" account).

Financial Assets at FVOCI. Equity securities which are not held for trading may be irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized in other comprehensive income. These fair value changes are accumulated in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative valuation gains or losses will be reclassified to retained earnings.

Classified under this category are the Group's club shares for sale.

The Group does not have debt instruments measured at FVOCI as at December 31, 2021 and 2020.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

This category includes trade and other payables (excluding deposits from sale of real estate, statutory payables and unearned rental income), advances from related companies and customers' deposits.

Impairment of Financial Assets at Amortized Cost

The Group records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

Trade Receivables. The Group has applied the simplified approach in measuring the ECL on trade receivables. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Instruments Measured at Amortized Cost. For these financial assets, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Land and Development Costs and Parking Lots for Sale
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Costs include:

- Cost of the land;
- Construction and development costs; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated specifically identifiable costs to complete and the estimated costs to sell.

Other Current Assets
This account mainly consists of advances to contractors and suppliers, the excess of input value-added tax (VAT) over output VAT, creditable withholding taxes (CWT), supplies and prepayments.

Advances to Contractors and Suppliers. Advances to contractors and suppliers represent advance payments on goods and services to be incurred in connection with the Group's projects and operations. These are charged to expense or capitalized to projects in the consolidated statements of financial position, upon actual receipt of services or goods. These are considered as nonfinancial instruments as these will be applied against future billings from contractors and suppliers. Advance payments to contractors and suppliers, relating to the portion of projects that are classified as investment property and advance payments that will be applied against future billings beyond 12 months from the reporting date, are presented as part of "Other noncurrent assets" account in the consolidated statements of financial position.

VAT. Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from the taxation authority is included as part of "Other current assets" account in the consolidated statements of financial position.

CWT. CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWT is stated at its net realizable amount.

Supplies. Supplies are valued at the lower of cost and NRV. Cost is determined using the weighted average method and includes expenditures incurred in acquiring the supplies and bringing them to their existing location and condition. NRV is the current replacement cost.

Prepayments. Prepayments are expenses not yet incurred but paid in advance. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

The Group recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

Investment in an Associate

An associate is an entity in which the Group has significant influence. Investment in an associate is carried at its estimated recoverable value since the associate is in the process of liquidation. Dividends received are recognized in profit or loss.

The financial statements of the associate are prepared for the same reporting period as the Group.

Investment Properties

Investment properties comprise of completed properties and land for future development held by the Group to earn rentals or for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of existing investment properties at the time that cost is incurred and if the recognition criteria are met, and excludes the costs of day-to-day servicing of investment properties. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date as determined by independent appraisers. Gains and losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which these arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy on property and equipment up to the date of change in use.

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no further economic benefit is expected from its disposal. Any gain or loss on the retirement of disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Property and Equipment

Property and equipment, except land, serviced residences and aircrafts, are stated at cost less accumulated depreciation, amortization and impairment in value, if any. Land is stated at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, nonrefundable taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

The Group adopted the revaluation model in measuring its serviced residences and aircrafts.

Under the revaluation model, serviced residences and aircrafts are initially recorded at cost and subsequently measured at fair value. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Additions subsequent to the last appraisal date are stated at acquisition cost.

A revaluation increase is recorded initially in other comprehensive income and accumulated to the revaluation surplus in equity. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. A revaluation decrease is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in revaluation surplus in equity in which case the decrease is recognized in other comprehensive income.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Each part of the property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the depreciable assets. The depreciation and amortization periods for property and equipment, based on the above policies, are as follows:

Asset Type	Number of Years
Serviced residences	50
Aircrafts	15 to 25
Buildings	20 to 40
Transportation equipment	2 to 5
Machinery, equipment and tools	2 to 15
Office furniture and equipment	2 to 5
Leasehold improvements	2 to 10 or lease term, whichever is shorter

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization is consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Construction in progress, which includes cost of construction and other direct costs, is stated at cost and is not depreciated until such time as the relevant assets are completed and put into operational use. Assets under construction are reclassified to a specific category of property and equipment when the construction and other related activities necessary to prepare the assets for their intended use are completed and the assets are available for use.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Deferred Input VAT

In accordance with the Revenue Regulations (RR) No. 16-2005, input VAT on purchases or imports of the Group of capital goods (depreciable assets for income tax purposes) with an aggregate acquisition cost (exclusive of input VAT) in each of the calendar months exceeding ₱1.0 million are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods whichever is higher.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

Deferred input VAT also includes the VAT on the unpaid portion of availed services. Deferred input VAT that is expected to be realized within 12 months after the financial reporting period are classified as current assets, otherwise these are classified as noncurrent assets.

Software

Software is measured initially at cost. Software is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. After initial recognition, software is measured at cost less accumulated amortization and any impairment loss.

Amortization of software is computed on a straight-line basis over the estimated useful life of five years.

The amortization period and method are reviewed periodically to ensure that these are consistent with expected pattern of economic benefits from the intangible assets.

Impairment of Nonfinancial Assets

Nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill. The Group assesses whether there are any indicators that goodwill is impaired at each financial reporting date. Goodwill is tested for impairment annually and when circumstances indicate that the carrying amount may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU, to which the goodwill relates.

Where the recoverable amount of the CGU is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Incremental costs directly attributable to the issue of new capital stock are recognized as a deduction, net of tax, from the equity.

Retained Earnings

Retained earnings represent the cumulative balance of the Group's results of operations, reclassification adjustments on disposal of club shares for sale and amortization of revaluation surplus, net of dividend distribution, if any.

Parent Company's Shares Held by a Subsidiary

Parent Company's shares which are held by a subsidiary are treated similar to treasury shares and recognized and deducted from equity at cost. No gain or loss is recognized in the consolidated statements of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognized as additional paid-in capital.

Treasury Stock

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statements of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

Other Comprehensive Income

Other comprehensive income comprises of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. Other comprehensive income of the Group pertains to cumulative unrealized valuation gain on club shares for sale, revaluation surplus and accumulated remeasurement gain on retirement liability.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group has generally concluded that it is the principal in its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized.

Real Estate Sales. Revenue from sale of completed projects is recognized at a point in time when the customer obtains control of the assets. Revenue from sale of real estate projects that are under pre-completion stage are generally recognized over time during the construction period (or POC). In measuring the progress of its performance obligation over time, the Group uses the output method, i.e. revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical portion of the contract work.

The Group accounts for any cash received from buyers as "Contract liabilities" account in the consolidated statements of financial position when the related performance obligation for which payment was made has not yet been performed. Excess of collections over satisfied performance obligation is also classified as contract liabilities. Contract liabilities are reduced by the amount of revenue recognized during the reporting period. Receivables that are conditional upon the performance of other obligations are recognized as "Contract assets" (presented under "Trade and other receivables" account) in the consolidated statements of financial position. Contract assets are reclassified to trade receivables upon completion of the performance obligation.

For sale of condominium units and preferred shares under a single contract to sell, the selling price is allocated to each component. Collections received are applied pro-rata based on the selling price of the condominium unit, net of VAT and interest, and the selling price of the preferred share.

Air Transport, Medical and Security Services. These are recognized at a point in time when the related service has been rendered.

Room Revenues. Revenue is recognized at a point in time i.e., when the room facilities are used and the related services are rendered.

Rental Income. Rental income from operating leases is recognized on a straight-line basis over the term of the lease. Contingent rent income is recognized when it arises. This also includes common utilities, services and maintenance charges, as well as other incidental income in providing the service.

Interest Income. Interest income is recognized as the interest accrues taking into account the effective yield on the assets.

Other Income. Income from other sources is recognized at a point in time i.e., when earned during the period.

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Cost of Real Estate Sold. Cost of real estate sold is recognized consistent with the revenue recognition method applied. Cost of real estate properties sold before the completion of the project is determined based on actual costs and project estimates of building contractors and technical staff.

Contract costs include all direct materials and labor costs and those direct costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Cost of Services. Cost of services is recognized as expense when services are rendered.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are expensed as incurred.

Finance Costs. Finance costs are recognized as they accrue. This includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated in an effective interest rate basis.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefit Costs. The Group has an unfunded, non-contributory defined benefit plan covering all qualified employees. Retirement benefit costs are actuarially determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and nonroutine settlements, and interest expense in profit or loss. Interest is calculated by applying the discount rate to the retirement liability.

Current service costs pertain to the increase in the present value of a defined benefit obligation resulting from employee service in the current period.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes restructuring-related costs.

Remeasurements comprising actuarial gains and losses and return on plan assets are recognized immediately in other comprehensive income in the period in which these arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The defined retirement benefits obligation is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets out of which the obligations are to be settled directly. The present value of the retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Leases

The Group as a Lessee. At the commencement date, the Group recognizes right-of-use (ROU) assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case the lease payments associated with those leases are recognized as an expense in profit or loss on a straight-line basis. For leases with lease terms of 12 months or less but with an option to extend the lease, the management assesses whether there is reasonable certainty that the Group will extend the lease, by considering all relevant facts and circumstances that create an economic incentive for the lessee to extend or terminate the lease, to determine the appropriate lease term.

ROU Assets. At commencement date, the Group measures ROU assets at cost which is comprised of the following:

a) the amount of the initial measurement of lease liabilities;
b) any lease payments made at or before the commencement date less any lease incentives received;
c) any initial direct costs; and
d) an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets.

Lease Liabilities. At commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability consist of the following:

a) fixed payments, including in-substance fixed payments;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c) amounts expected to be payable by the lessee under residual value guarantees; and
d) the exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Group as a Lessor. Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rent income. Contingent rents are recognized as revenue in the period in which these are earned.

Borrowing Costs

Borrowing costs are capitalized if these are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recorded. All other borrowing costs are expensed in the period these occur.

Foreign Currency Denominated Transactions

Transactions denominated in foreign currencies are initially recorded in Philippine Peso using the exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency using the rate of exchange prevailing at the reporting date. Foreign exchange differences between the rate at transaction date and settlement date or reporting date are credited to or charged against profit or loss. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the dates of initial transactions.

Income Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Deferred Tax. Deferred tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except for:

- When it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; or

- When the taxable temporary difference is associated with interests in subsidiaries or associates and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), only if it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset the current tax assets against the current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in relation to the underlying transaction either in other comprehensive income or directly in equity.

Related Parties and Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's financial position at reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS requires management to exercise judgment, make estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the consolidated financial statements. The judgment, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgment

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Recognizing Revenue from Real Estate Sales. The recognition of revenue at a point in time requires certain judgment on when the customer obtains control over the promised goods and services. In determining whether control has been transferred to the customer, the Group considers the following indicators:

- The Group has a present right to payment for the asset.
- The customer has legal title to the asset.
- The Group has transferred physical possession of the asset.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

For real estate sales recognized over time, the Group recognizes revenue using POC method. This method requires certain judgments based on the buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment and completion of development. The buyer's commitment is evaluated based on collections and credit standing of the buyers. The POC of development is determined based on engineer's judgment and estimates on the physical portion of contract work done and that the development is beyond the preliminary stage.

Real estate sales recognized amounted to ₱2,057.5 million, ₱1,034.9 million and ₱1,115.6 million in 2021, 2020 and 2019, respectively (see Note 19).

Determining the Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Group, functional currency has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Group operates.

Determining the Classification of Lease Commitments - The Group as a Lessor. The Group entered into a number of operating lease agreements as a lessor. The Group has determined that it retains substantially all the risks and rewards of ownership of the assets being leased out under operating lease agreements.

The Group recognized rent income amounting to ₱336.3 million, ₱491.8 million and ₱853.2 million in 2021, 2020 and 2019, respectively (see Note 18).

Determining the Classification of Lease Commitments and Appropriate Lease Term - The Group as a Lessee. The Group has lease agreements for the use hangar premises. The Group recognizes ROU assets and lease liabilities based on the present value of lease payments over the lease term using the Group's incremental borrowing rate, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

The Group has exercised significant judgment in determining the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or in any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The leases for hangar premises are renewable upon mutual agreement by both parties which are to be covered by a separate and new lease agreement. In June 2021, the Group renewed its existing long-term lease contracts for hangar premises for another five-year period. The original scope of the lease remained unchanged.

Management assessed that the substance of such lease term extension constitutes a modification of the existing lease and thus accounted the renewal as a lease modification effective on the date of agreement of both parties. Accordingly, the Group remeasured the existing lease liability to include the lease payments covered by the new lease using a revised discount rate.

ROU assets amounted to ₱24.2 million and ₱10.4 million as at December 31, 2021 and 2020, respectively. Lease liabilities amounted to ₱26.5 million and ₱12.1 million as at December 31, 2021 and 2020, respectively (see Note 18).

Determining the Fair Value and Classification of Investments in Clubs' Preferred Shares. The Group establishes fair value by using recent arm's length market transactions between market participants. The fair value of investments in preferred shares of the Clubs is determined based on the current cash selling price to third parties.

The Group assesses the number of shares the can be disposed within 12 months after reporting date based on its marketing strategies and classified such as current assets. All remaining shares are classified as noncurrent.

The Group's investments in club's preferred shares classified as club shares for sale amounted to ₱31,010.9 million and ₱31,511.9 million as at December 31, 2021 and 2020, respectively, of which ₱1,071.3 million and ₱1,074.3 million are classified as current assets as at December 31, 2021 and 2020, respectively (see Note 10).

Determining Control, Joint Control or Significant Influence over an Investee Company. Control is presumed to exist when an investor has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, joint control is presumed to exist when the investors contractually agreed to share control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group has assessed it has control over its subsidiaries and joint control in its joint arrangement.

The Group has a 50% interest in Alphaland Heavy Equipment Corporation (AHEC) as at December 31, 2021 and 2020. The Group accounts for this investment as an associate since management has assessed that there is no joint control between the parties.

Determining the Classification of a Joint Arrangement. The joint venture agreement with Boy Scouts of the Philippines (BSP) is accounted for as a joint operation since the parties that have joint control of the arrangement, have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Determining Transfers. Transfers between investment properties, land and development costs and property and equipment of the Group are made after determining that there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or commencement of development with a view to sale. These transfers are recorded using the carrying amounts of the investment properties, land and development costs and property and equipment at the date of change in use.

Evaluating Legal Contingencies. There are on-going litigations involving the Group which management believes would not have a material adverse impact on the Group's financial position and results of operations. The estimate of the probable costs for the resolution of possible claims have been developed in consultation with legal counsel handling the Group's defense in these matters and is based upon an analysis of potential results (see Note 26).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recognizing Revenue and Cost. The Group's revenue and cost recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and cost. Revenue and cost from sale of real estate recognized based on the POC are measured principally on the basis of the estimated completion of physical proportion of the contract work, and by reference to the actual costs incurred to date over the estimated total costs of the project.

Revenue from AMPI's sale of condominium units and preferred shares under a single contract to sell are allocated to each component using the residual method.

The fair value of the preferred shares is measured at its current cash selling price to third parties on a stand-alone basis and the fair value of the condominium unit is the residual amount of the transaction price.

Revenue recognized based on POC amounted to ₱2,057.5 million, ₱1,034.9 million and ₱1,115.6 million in 2021, 2020 and 2019, respectively (see Note 19). Cost recognized based on POC amounted to ₱1,058.7 million, ₱452.2 million and ₱552.6 million in 2021, 2020 and 2019, respectively (see Note 20).

Assessing the Impairment Losses on Trade and Other Receivables and Advances to an Associate and Related Companies. The Group determines allowance for impairment losses based on ECL.

The Group estimates ECL on trade receivables and contract assets using a provision matrix that is based on days past due for groupings of various customer segments that have similar loss patterns. Depending on the diversity of its debtor's base, the Group uses its historical credit loss experience adjusted for forward-looking factors, as appropriate.

The Group's advances to an associate and related companies are noninterest-bearing and repayable on demand. These credit exposures are considered to be in default when there is evidence that the related party is in significant financial difficulty such that it will not have sufficient liquid assets to repay its obligation upon demand. This is assessed based on a number of factors including key liquidity and solvency ratios. After taking into consideration the associate and related parties' ability to pay depending on the sufficiency of liquid assets, financial support from stockholders, and available forward-looking information, the risk of default of the related parties are assessed to be minimal.

No impairment loss on trade and other receivables was recognized in 2021. Impairment losses recognized on trade and other receivables amounted to ₱17.3 million and ₱6.7 million in 2020 and 2019, respectively. The Group recognized a reversal of allowance for impairment losses amounting to ₱8.8 million in 2020 (see Note 6).

Allowance for impairment loss on trade and other receivables amounted to ₱44.9 million as at December 31, 2021 and 2020 (see Note 6).

The aggregate carrying amount of trade and other receivables and advances to an associate and related companies amounted to ₱6,714.3 million and ₱5,223.0 million as at December 31, 2021 and 2020, respectively (see Notes 6, 9 and 17).

Determining the NRV of Land and Development Costs and Parking Lots for Sale. The Group writes down the carrying amount of land and development costs and parking lots for sale whenever the NRV becomes lower than cost due to changes in market prices or other causes. The NRV of projects under construction is assessed with reference to market price at reporting date for similar completed property, less estimated costs to complete the construction and estimated costs to sell. The carrying amount is reviewed regularly for any decline in value.

The carrying amount of land and development costs and parking lots for sale amounted to ₱2,773.4 million and ₱3,193.2 million as at December 31, 2021 and 2020, respectively (see Note 7).

Estimating the Useful Lives of Property and Equipment and ROU Assets. The Group estimates the useful lives of the property and equipment and ROU assets based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

In 2019, the estimated useful life of serviced residences was changed from 35 years to 50 years to reflect the change in the Group's assessment of the expected economic benefits of the serviced residences and to align the useful life adopted by the industry. This resulted to a reduction of ₱8.3 million in depreciation expense of the Group in 2019 (see Note 12).

There is no change in the estimated useful lives of other depreciable property and equipment and ROU assets in 2021 and 2020. The aggregate carrying amount of depreciable property and equipment and ROU assets amounted to ₱9,960.1 million and ₱9,990.1 million as at December 31, 2021 and 2020, respectively (see Notes 12 and 13).

Estimating the Residual Value of Aircrafts under Property and Equipment. The Group estimates the residual value of the aircrafts (presented under property and equipment) based on industry data on the asset's realizable value at the end of its useful life. The residual value are reviewed periodically and estimated on a collective assessment reviewing industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded depreciation expenses for any period would be affected by changes in these factors and circumstances.

In 2021, the Group applied a 20% of residual value on cost of its passenger aircrafts based on factors such as historical experience, expected level of usage, and policies adopted by other comparable airlines within the industry. The change in accounting estimate has been applied on a prospective basis from January 1, 2021. The effect of the above change in estimate on depreciation expense in the current and future periods are ₱16.3 million and ₱182.8 million, respectively (see Note 12).

Assessing Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets other than investment properties whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and,
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the consolidated financial statements.

No impairment loss on nonfinancial assets was recognized in 2021, 2020 and 2019. The carrying amounts of nonfinancial assets are as follows:

		(In Thousands)	
	Note	**2021**	2020
Other current assets*	8	**₱1,187,135**	₱1,194,362
Investment in an associate	9	**11,326**	11,326
Property and equipment	12	**9,963,624**	10,006,474
Other noncurrent assets**	13	**147,492**	125,149

**Excluding restricted cash.*
***Excluding noncurrent portion of receivables and refundable deposits.*

Determining the Fair Value of Investment Properties. The Group engaged an independent appraiser to determine the fair value of its investment properties. The fair values of investment properties were mainly based on the valuation performed in 2021, 2020 and 2019. The fair values of the land were determined using sales comparison and land development approach. Sales comparison approach involves the comparison of the land to those that are more or less located within the vicinity of the appraised property and are subject of recent sales and offerings. If there is limited data within the area, the independent appraiser considers the expansion of the research on properties considered comparable. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element. Land development approach is basically a discounting process wherein the present worth of the potential value of the property as "raw" land for subdivision purposes may be estimated. The fair value of properties held for lease was determined using income capitalization approach which considers income and expense data relating to the property being valued and estimated it through capitalization process. Capitalization relates income, usually a net income figure, and a defined value type by converting an income amount into a value estimate.

Further information about the assumptions made in measuring fair values of investment properties are discussed in Note 11.

Gain on fair value changes which was recognized in the consolidated statements of comprehensive income amounted to ₱1,605.8 million, ₱4,131.6 million and ₱18,286.2 million in 2021, 2020 and 2019, respectively. Carrying amounts of investment properties amounted to ₱60,053.7 million and ₱58,776.9 million as at December 31, 2021 and 2020, respectively (see Note 11).

Determining the Fair Value of Property and Equipment Measured at Revalued Amount. The Group engaged an independent appraiser to determine the fair value of its serviced residences and aircrafts. The fair value of the serviced residences was determined by an independent appraiser using income capitalization approach which considers income and expense data relating to the property being valued and estimated it through capitalization process. Capitalization relates income, usually a net income figure, and a defined value type by converting an income amount into a value estimate. The fair value of aircraft was determined using the cost approach which involves gathering of cost data from original import commercial invoices as well as comparable sources of similar aircraft.

Further information about the assumptions made in measuring fair values of serviced residences and aircrafts are discussed in Note 12.

The revaluation surplus recognized in the equity section of the consolidated statements of financial position amounted to ₱3,664.9 million and ₱3,428.7 million as at December 31, 2021 and 2020, respectively. The aggregate carrying amount of serviced residences and aircraft carried at fair value amounted to ₱9,661.0 million and ₱9,704.5 million as at December 31, 2021 and 2020, respectively (see Note 12).

Determining Retirement Benefit Liability. The determination of the Group's obligation and cost for retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 21 to the consolidated financial statements.

Retirement benefit cost amounted to ₱21.5 million, ₱17.1 million and ₱15.0 million in 2021, 2020 and 2019, respectively. Retirement liability amounted to ₱94.8 million and ₱73.3 million as at December 31, 2021 and 2020, respectively (see Note 21).

Assessing the Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The amount of deferred income tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

Recognized deferred tax assets of the Group amounted to ₱58.9 million and ₱90.2 million as at December 31, 2021 and 2020, respectively. Unrecognized deferred tax assets amounted to ₱127.2 million and ₱202.7 million as at December 31, 2021 and 2020, respectively (see Note 22). Management believes that it is not probable that sufficient taxable income will be available to allow all these deferred tax assets to be utilized.

4. Joint Operation

On June 30, 2008, AMPI and BSP entered into a Joint Venture Agreement to develop the Malugay Property into a first class commercial development to be known as Alphaland Makati Place (the "Project") whereby BSP shall contribute the Malugay Property while AMPI shall contribute the improvements (the "Development Costs") and its exclusive right (the "Leasehold Rights") over the Malugay Property, as well as to provide all necessary funds, equipment, materials, construction works, expertise and related undertakings for the development of the Project.

The Project consists of three high-end residential towers atop an upscale six-storey podium, the bottom half of which is a shopping center and the top half a City Club for urban sports and leisure. The Project also includes a Boy Scout Convention Center as provided in the Joint Venture Agreement. Towers 1 and 2 were completed in 2016 while Tower 3 was completed in 2017.

AMPI and BSP agreed to share at 85% and 15%, respectively, of the total gross floor area of completed and disposable units in the Project. The 85% share of AMPI shall include The City Club and the 15% share of BSP shall include the Boy Scout Convention Center.

On June 2, 2011, BSP sold the Malugay Property to AMPI for a total consideration of ₱600.0 million. The amount of consideration paid to BSP was then contributed by BSP to the development of the Project. The Leasehold Right was effectively terminated when AMPI acquired the land from BSP in June 2011. Despite the sale, the Joint Venture remained and the partners continued the 85:15 Sharing Scheme. The partners have amended the Joint Venture Agreement accordingly.

On September 8, 2015, the Parties executed a Supplement to the Joint Venture Agreement. The Supplement expressly enumerates the specific units in the Project that constitute the BSP Share with respect to the Podium, Tower 1, Tower 2 and Parking Slots. The Supplement further provides that the BSP Share in Tower 3 shall be determined in another Supplement.

The Group accounts for the joint venture arrangement as a joint operation. As at December 31, 2021 and 2020, the Group recognized its share in the development costs of the Project (excluding the costs related to the City Club - see Note 7) in the following accounts:

		(In Thousands)	
	Note	**2021**	2020
Land and development costs and parking lots for sale	7	**₱489,622**	₱504,448
Investment properties	11	**13,883,696**	13,820,220
		₱14,373,318	₱14,324,668

5. Cash and Cash Equivalents

This account consists of:

	(In Thousands)	
	2021	2020
Cash on hand and in banks	**₱1,071,101**	₱99,506
Short-term placements	**100,637**	670,151
	₱1,171,738	₱769,657

Cash in banks earn interest at prevailing bank deposit rates.

Short-term placements are made for varying periods of up to three months, depending on the immediate cash requirements of the Group and earn interest ranging from 0.75% to 2.5%, 2.0% to 6.5% and 1.05% to 1.5% in 2021, 2020 and 2019, respectively.

Sources of interest income recognized by the Group are as follows (see Note 19):

			(In Thousands)	
	Note	**2021**	2020	2019
In-house financing	7	**₱10,793**	₱13,102	₱20,172
Trade and other receivables	6	**5,328**	10,108	1,909
Cash and cash equivalents		**4,282**	3,934	4,154
Restricted cash	8	**713**	928	310
		₱21,116	₱28,072	₱26,545

6. Trade and Other Receivables

This account consists of:

	Note	2021 (In Thousands)	2020 (In Thousands)
Trade receivables from:			
Real estate sales		**₱1,030,599**	₱469,078
Air transport services	17	**323,890**	311,012
Sale of club shares	10	**179,984**	119,970
Tenants	18	**22,344**	50,468
Contract assets		**399,217**	75,331
Nontrade	17	**204,075**	52,465
Advances to officers and employees		**15,750**	11,587
Others		**599,178**	65,326
		2,775,037	1,155,237
Less allowance for impairment losses		**(44,914)**	(44,914)
		₱2,730,123	₱1,110,323

Receivables from sale of real estate are interest-bearing and have terms of up to five years.

Receivables from air transport services are unsecured, noninterest-bearing and are due and demandable.

Receivables from the sale of the club shares have terms ranging from one to five years. Noncurrent portion of these receivables are presented under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 13). Amortization of interest on these receivables amounting to ₱5.3 million, ₱10.1 million and ₱1.9 million in 2021, 2020 and 2019, respectively (see Note 5).

Receivables from tenants are noninterest-bearing and are generally on a 30-day term.

Nontrade receivables pertain to advances to related companies. Advances to related companies are unsecured, noninterest-bearing and are due and demandable (see Note 17).

Advances to officers and employees are for business purposes, noninterest-bearing and are subject to liquidation.

Other receivables mainly consist of SSS claims and miscellaneous receivables.

Allowance for impairment losses mainly pertain to receivables from several lessees of ASTI and unit buyers of AMPI that are at least 90 days past due.

Movements of allowance for impairment losses are as follows:

	(In Thousands)		
	2021	2020	2019
Balance at beginning of year	**₱44,914**	₱36,457	₱29,725
Provisions	**–**	17,286	6,732
Reversal	**–**	(8,829)	–
	–	8,457	6,732
Balance at end of year	**₱44,914**	₱44,914	₱36,457

Reversal of impairment loss in 2020 pertains to receivables from tenants assigned to the buyer of Alphaland Southgate Tower.

7. Land and Development Costs and Parking Lots for Sale

This account consists of the following:

	(In Thousands)	
	2021	2020
Land and development costs:		
Alphaland Baguio Mountain Lodges	**₱2,076,861**	₱2,380,708
Balesin Private Villa	**207,099**	308,044
Alphaland Makati Place	**212,112**	226,938
Parking lots for sale	**277,510**	277,510
	₱2,773,582	₱3,193,200

Deposit from the sale of real estate amounted to ₱236.0 million and ₱411.6 million as at December 31, 2021 and 2020, respectively (see Note 14).

<u>Alphaland Baguio Mountain Lodges</u>
Movements in the land and development costs pertaining to the Alphaland Baguio Mountain Lodges Project are as follows:

		(In Thousands)	
	Note	**2021**	2020
Balance at beginning of year		**₱2,380,708**	₱2,438,378
Cost of real estate sold	20	**(934,975)**	(196,208)
Transfers from investment properties	11	**350,800**	–
Development costs		**280,328**	138,538
Balance at end of year		**₱2,076,861**	₱2,380,708

The Alphaland Baguio Mountain Lodges Project pertains to 24.5 hectares of land situated in Benguet that is currently being developed as horizontal condominium for sale.

The property was previously classified as investment properties. Areas that are being developed as horizontal condominium for sale were reclassified to land and development costs. In 2021 additional areas with carrying amount of ₱350.8 million were reclassified to this account (see Note 11).

In 2021, 2020 and 2019, capitalized depreciation included as part of development costs amounted to ₱4.0 million, ₱4.1 million and ₱5.2 million, respectively (see Note 12).

On October 25, 2018, the Housing and Land Use Regulatory Board (HLURB) issued a license to sell (LTS) the Alphaland Baguio Mountain Lodges Phase I project. In 2020, the Group applied for a certificate of registration and LTS with the Department of Human Settlements and Urban Development - Cordillera Administrative Region Office in relation to the Alphaland Baguio Mountain Lodges Phase II project.

ABMLHI also sells log homes under an in-house financing arrangement at 25% and 30% down payment in 2021 and 2020, respectively, payable monthly over a maximum of 5 years with interest rate at 9% per annum. Interest earned from real estate sales under the in-house financing arrangement amounted to ₱10.8 million, ₱13.1 million and ₱20.2 million in 2021, 2020 and 2019, respectively (see Note 5).

Balesin Private Villa

Movements in land and development costs pertaining to the Balesin Private Villa project are as follows:

		(In Thousands)	
	Note	**2021**	2020
Balance at beginning of year		**₱308,044**	₱372,211
Cost of real estate sold	20	**(123,757)**	(255,962)
Additions:			
Development costs		**22,812**	109,301
Forfeited sales		–	82,494
Balance at end of year		**₱207,099**	₱308,044

In 2020, the Group forfeited a sale with related cost amounting to ₱82.5 million, resulting to a loss on forfeiture amounting to ₱67.6 million. This was recognized in the consolidated statements of comprehensive income under "Other gains (losses)" account.

Alphaland Makati Place

Movements in land and development costs pertaining to the Alphaland Makati Place project are as follows:

		(In Thousands)	
	Note	**2021**	2020
Balance at beginning of year		**₱226,938**	₱226,938
Forfeited sales	27	**18,013**	75,921
Transfer to property and equipment	12	**(18,013)**	(75,921)
Cost adjustment		**(14,826)**	–
Balance at end of year		**₱212,112**	₱226,938

The Alphaland Makati Place Project, which is a joint venture with BSP (see Note 4), is located on a one-hectare lot along Ayala Avenue Extension corner Malugay Street, Makati City. Alphaland Makati Place consists of three residential towers atop a six-storey podium comprising of a shopping center and the City Club for sports and leisure (see Note 11). Towers 1 and 2 were completed in 2016 while Tower 3 was completed in 2017.

Project costs classified as land and development costs pertains to the Group's proportionate interest in the three residential towers of Alphaland Makati Place that are intended for sale. The cost of Tower 3 was reclassified to "Investment properties" when the Group subsequently leased out the property to third parties (see Note 11).

A number of condominium units of AMPI are now operated as serviced residences under "The Alpha Suites." Accordingly, the costs of these units were transferred to "Property and equipment" account (see Note 12).

The Group started the pre-selling of condominium units in October 2011 for Tower 1 and in November 2013 for Tower 2. The terms and conditions of the contract to sell (CTS) involve the sale of one condominium unit and one City Club share, i.e., a preferred share of The City Club at Alphaland Makati Place, Inc. (TCCAMPI), in which ownership of the condominium unit and the City Club share are inseparable. Under the CTS, the components are sold under a single selling price with downpayment payable upon signing of the CTS and the unpaid balance payable in monthly installments for a period of three years from date of CTS. Ownership of the City Club share will allow the buyer to enjoy the amenities and facilities of the City Club.

The HLURB issued the permanent LTS to AMPI for the sale of condominium units in Tower 1 of Alphaland Makati Place on October 9, 2012 and for the sale of condominium units in Tower 2 on May 27, 2014.

As discussed in Note 4, on September 8, 2015, the Parties executed a Supplement to the Joint Venture Agreement enumerating the specific units in the Project that constitute the BSP Share with respect to the Podium, Tower 1, Tower 2 and Parking Slots.

In 2021 and 2020, the Group repossessed units with related cost amounting to ₱18.0 million and ₱75.9 million respectively. The gain (loss) on forfeiture amounting to ₱17.4 million and (₱19.1 million) in 2021 and 2020, respectively, was recognized in the consolidated statements of comprehensive income under "Other gains (losses)" account.

The repossessed condominium units in 2021 and 2020 were utilized for the Group's serviced residences operations and therefore were subsequently transferred to "Property and equipment" account (see Note 12).

Parking Lots for Sale

Movements in parking lots for sale are as follows:

	(In Thousands)	
	2021	2020
Balance at beginning of year	**₱277,510**	₱272,695
Additions due to forfeited sales	–	4,815
Balance at end of year	**₱277,510**	₱277,510

8. Other Current Assets

This account consists of:

	Note	(In Thousands) 2021	2020
Advances to contractors and suppliers	26	**₱500,245**	₱409,047
Input VAT		**422,159**	504,972
CWT		**125,072**	112,031
Supplies		**72,201**	77,395
Prepayments		**55,056**	33,909
Accrued rent		**12,402**	57,008
Restricted cash		**9,348**	10,142
		₱1,196,483	₱1,204,504

Advances to Contractors and Suppliers

Advances to contractors and suppliers represent advance payments to contractors for the construction and development of the Group's projects and are recouped upon every progress billing payment depending on the percentage of accomplishment. Advances to contractors and suppliers, relating to the portion of the project that is classified as investment property and to advance payments that will be applied against future billings beyond 12 months from the reporting date, amounting to ₱4.0 million and ₱4.1 million as at December 31, 2021 and 2020, respectively, are presented under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 13).

Input VAT

Input VAT arises from the acquisition of land and payments to suppliers and contractors for the acquisition of goods and development of the Group's projects.

Prepayments

Prepayments include prepaid rent, insurance and commissioning fees.

Restricted Cash

Restricted cash pertains to cash deposited with local banks pursuant to the Environmental Compliance Certificate issued to ABIRC relating to the rehabilitation of the Project-affected area throughout the construction and maintenance of the Island Club and ABMLHI's application for a certificate of registration and LTS with the Department of Human Settlements and Urban Development - Cordillera Administrative Region Office in relation to the completion of Alphaland Baguio Mountain Lodges Phase II project (see Note 7).

Interest income earned from restricted cash amounted to ₱713,371, ₱927,895 and ₱309,510 in 2021, 2020 and 2019, respectively (see Note 5).

9. Investment in and Advances to an Associate

This account consists of:

		(In Thousands)	
	Note	**2021**	2020
Investment in an associate		**₱11,326**	₱11,326
Advances to an associate	17	**1,023**	1,023
		₱12,349	₱12,349

Investment in an associate comprises of a 50% interest in AHEC whose principal activity is sale and lease of heavy equipment as at December 31, 2021 and 2020.

On April 5, 2013, the BOD of AHEC approved a resolution to shorten the corporate life of AHEC to four years. As at December 31, 2021, AHEC's liquidation is still in progress. The remaining carrying amount represents the Group's share in the residual net assets of AHEC.

Condensed financial information of the associate prepared on the historical basis of accounting are as follows:

	(In Thousands)	
	2021	2020
Assets	**₱46,540**	₱46,540
Liabilities	**23,888**	23,888
Net assets	**₱22,652**	₱22,652

The Group has not entered into any capital commitments in relation to its investment in AHEC and did not receive any dividends from the associate in 2021, 2020 and 2019.

10. Club Shares for Sale

This account consists of:

	(In Thousands)	
	2021	2020
Unquoted Clubs' preferred shares:		
Alphaland Balesin Island Club, Inc. (ABICI)	**₱25,348,400**	₱25,846,400
TCCAMPI	**5,662,500**	5,665,500
	₱31,010,900	₱31,511,900
Current	**₱1,071,311**	₱1,074,311
Noncurrent	**29,939,589**	30,437,589
	₱31,010,900	₱31,511,900

The preferred shares held by the Group are not required to gain control of the Clubs and are intended to be disposed of over time to third parties. The preferred shareholders are entitled to name one to 10 nominee per share, depending on the class of preferred share, to become a member and avail of the amenities and facilities of the Clubs, unless as otherwise required by applicable laws. They are not entitled to vote and be voted for in all meetings of the shareholders of the Clubs. The preferred shares have preference over the issuer's common shares in the distribution of assets in case of dissolution and liquidation.

The cost of the Group's investments in the preferred shares of ABICI and TCCAMPI includes the cash consideration and the cost incurred to complete the Clubs' facilities.

a. ABICI

On February 10, 2011, ALPHA, ABIRC and ABICI entered into a Development Agreement (DA) for the development and construction of a resort club (the "Island Club"). It is agreed that ABIRC will develop and construct the Island Club with ALPHA extending any financing required for the completion of the Island Club and its amenities in exchange for the ABICI shares. ABICI agrees that the excess of the construction costs over the par value of the shares issued by ABICI shall be treated as additional paid-in capital. Furthermore, it was clarified that the ownership of the Island Club, its facilities and amenities will be transferred to ABICI as cost is incurred. In 2015, approximately 98 hectares were committed for transfer to ABICI. The transfer of certificate of title was completed in 2018 (see Note 11).

On February 24, 2011, the SEC approved ABICI's Registration Statement on the Island Club Offer Shares for the primary offering of 391 of its Class "B" preferred shares and secondary offering of its 3,519 Class "B" preferred shares (Offer Shares or Tranche 1). In 2013, the SEC approved ABICI's Amended Registration Statement to increase its offer price from ₱2,000,000 per share to ₱3,000,000 per share. ABICI filed in 2013 a Second Amended Registration Statement to further increase its offer price to ₱5,000,000. As at December 31, 2021, the Group already withdrew its application with the SEC.

In 2012, ABIRC subscribed to additional Class "B" preferred shares of ABICI totaling 3,090 shares. As a consideration for the additional acquisitions of ABICI preferred shares, ABIRC entered into a Supplemental DA with ABICI in June 2012 increasing its obligation to complete the Island Club's facilities. By virtue of these additional subscriptions, ABIRC transferred investment properties to ABICI amounting to ₱453.3 million.

On November 12, 2012, the shareholders of ABICI approved an amendment to the ABICI's shareholder structure whereby additional 3,090 shares with a par value of ₱100 were split into 6,180 shares (Tranche 2) with a par value of ₱50 per share. As a result, ABIRC's subscription to the above 3,090 shares was converted to 6,180 shares. On January 31, 2013, the stock split was approved by the SEC.

On January 5, 2017, the SEC approved the increase in authorized capital stock of ABICI from ₱2.1 million divided into 14,000 common shares with par value of ₱100 per share, and 10,090 Class "B" preferred shares divided further into 3,910 Class "B-1" preferred shares with par value of ₱100 a share and 6,180 Class "B-2" preferred shares with par value of ₱50 a share to ₱3.0 million divided into 20,000 common shares with par value of ₱100 per share, and 15,000 Class "B" preferred shares divided further into 2,000 Class "B-1" preferred shares with par value of ₱100 per share, 12,000 Class "B-2" preferred shares with par value of ₱50 per share, and 1,000 Class "B-3" preferred shares with par value of ₱200 per share.

On May 31, 2017, ABIRC subscribed to additional 2,000 Class "B-2" preferred shares and 1,000 Class "B-3" (Tranche 3) preferred shares at a subscription price of ₱100 per share and ₱200 per share, respectively, or an aggregate amount of ₱400,000.

In April 2013, ABICI and 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 amounted to ₱1,575.5 million as at December 31, 2021 and 2020 (see Note 17). Starting 2015, ABICI already financed its own construction in the Island Club.

In 2019, sales of club shares includes 25 Class "B-1" preferred shares with carrying amount of ₱100.0 million at the date of transaction transferred to existing Balesin Island landowners under land-for-share swap in exchange for 5 hectares of land in Balesin Island, Polillo, Quezon (see Note 11).

The fair values of unsold shares as at December 31, 2021 and 2020 are as follows:

	2021		2020	
	Number of Shares	**Amount***	Number of Shares	Amount*
Tranche 1	**146**	**₱438,000**	312	₱936,000
Tranche 2	**11,964**	**24,910,200**	11,964	24,910,200
Tranche 3	**1,000**	**200**	1,000	200
		₱25,348,400		₱25,846,400

**Amounts in thousands.*

On December 20, 2021, the SEC approved the amendment to the Articles of Incorporation of ABICI further increasing its authorized capital stock from ₱3.0 million (divided into 20,000 Class "A" common shares with par value of ₱100 per share and 15,000 Class "B" preferred shares divided further into 2,000 Class "B-1" preferred shares with par value of ₱100 per share, 12,000 Class "B-2" preferred shares with par value of ₱50 per share, and 1,000 Class "B-3" preferred shares with par value of ₱200 per share) to ₱3.75 million (divided into 25,000 Class "A" common shares with par value of ₱100 per share and 16,000 Class "B" preferred shares divided further into 2,000 Class "B-1" preferred shares with par value of ₱100 per share, 12,000 Class "B-2" preferred shares with par value of ₱50 per share, 1,000 Class "B-3" preferred shares with par value of ₱200 per share and 1,000 Class "B-4" preferred shares with par value of ₱250 per share).

b. TCCAMPI

In October 2010, ASTI, AMPI and TCCAMPI entered into a DA for the development and construction of a City Club in Alphaland Makati Place. It is agreed that ASTI and/or AMPI will develop and construct the City Club with AMPI extending any financing required for its completion and amenities in exchange for the TCCAMPI shares.

On December 9, 2010, the SEC approved TCCAMPI's registration of an aggregate of 5,000 preferred shares, with issue price of ₱100 per share, comprising of 500 shares to be offered by way of primary offering and 4,500 shares by way of secondary offering.

In December 2010, ASTI, AMPI and TCCAMPI entered into a Supplemental DA to clarify that under the DA, it is AMPI who has the primary obligation to develop and construct the City Club. Moreover, it was clarified that, in consideration for the City Club's construction, TCCAMPI agrees to convert any and all advances provided by ASTI and AMPI to additional paid-in capital as cost is incurred. Furthermore, it was clarified that the ownership of the City Club, its facilities and amenities will be transferred to TCCAMPI as cost is incurred.

The City Club was fully completed in January 2014.

There are 3,775 and 3,777 unsold shares as at December 31, 2021 and 2020, respectively. As at December 31, 2021 and 2020, the fair value of unsold shares amounted to ₱5,662.5 million and ₱5,665.5 million, respectively.

Unrealized Valuation Gain on Club Shares for Sale

The Group's club shares for sale is marked-to-market using the fair value equivalent to the cash selling price of a recent sale to the public for the unquoted preferred shares.

Movements in the unrealized gain on club shares for sale are as follows:

	(In Thousands)	
	2021	2020
Balance at beginning of year	**₱23,482,648**	₱25,057,294
Reclassification adjustments	**(319,317)**	(445,642)
Unrealized valuation loss	**(31,566)**	(1,328,240)
Income tax effect	**4,735**	199,236
	(26,831)	(1,129,004)
Balance at end of year	**₱23,136,500**	₱23,482,648

Upon sale, the Group reclassified to retained earnings the cumulative valuation gain, gross of deferred tax, amounting to ₱373.4 million covering 169 shares, ₱524.3 million covering 354 shares and ₱184.8 million covering 49 shares in 2021, 2020 and 2019, respectively. Receivable arising from the sale of club shares amounted to ₱188.9 million and ₱131.1 million as at December 31, 2021 and 2020, respectively (see Notes 6 and 13). No dividends were recognized in 2021, 2020 and 2019.

11. Investment Properties

Movements in this account are as follows:

		(In Thousands)	
	Note	**2021**	2020
Balance at beginning of year		**₱58,776,917**	₱54,642,253
Fair value change		**1,605,797**	4,131,609
Transfers to:			
Land and development costs	7	**(350,800)**	–
Property and equipment	12	**(762)**	–
Additions:			
Capital expenditures		**20,345**	3,055
Purchases		**2,187**	–
Balance at end of year		**₱60,053,684**	₱58,776,917

Investment properties carried at fair value consist of the following:

	(In Thousands)	
	2021	2020
Alphaland Balesin Island Property	**₱24,784,042**	₱24,462,466
Alphaland Makati Place:		
Tower 3	**10,312,578**	10,269,446
Podium	**3,571,118**	3,550,774
Baguio Property	**7,780,492**	7,361,150
Patnangunan Property	**7,530,734**	7,178,377
Silang Property	**6,060,016**	5,940,000
Atimonan Property	**14,704**	14,704
	₱60,053,684	₱58,776,917

As at December 31, 2021 and 2020, the cumulative gain on fair value changes of the Group's investment properties, net of tax, amounted to ₱44,107.0 million and ₱39,860.2 million, respectively.

Alphaland Balesin Island Property
ABIRC acquired approximately 419 hectares of land in Balesin Island, Polillo, Quezon. Of the total land acquired, 5 hectares were acquired in 2019 via land-for-share swap with existing Balesin Island landowners in exchange for 25 Class "B-1" preferred shares with carrying amount of ₱100.0 million at the date of transaction (see Note 10). Approximately 98 hectares of the total land ownership were committed for transfer to ABICI in 2015. The transfer of certificate of title was completed in 2018 (see Note 10).

Areas that are being developed for sale were reclassified to "Land and development costs" account (see Note 7).

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 (see Notes 4 and 7).

Rent income earned from Alphaland Makati Place amounted to ₱336.3 million, ₱491.8 million and ₱688.5 million in 2021, 2020 and 2019, respectively. Direct costs related to rent income amounted to ₱78.9 million, ₱86.9 million and ₱118.7 million in 2021, 2020 and 2019, respectively, which mainly comprised of utilities and commissary costs (see Note 18).

Baguio Property
This consists of parcels of land, measuring approximately 86.7 hectares that are situated in Itogon, Benguet, just ten minutes from Baguio City by land. The Group is developing the property into the Alphaland Baguio Mountain Lodges.

The beneficial owner of the entire property is RVO, the majority shareholder and Chairman of ALPHA. The Group acquired the property at zonal value which is substantially below the appraised value. As a consideration to RVO for having sold the property at zonal value, RVO shall have a 15% interest, to be finalized upon conclusion of the project, without need of any further investment or equity infusion. The Group will shoulder all development costs required for the project.

Areas that are being developed as a horizontal condominium for sale was reclassified to land and development costs while areas where the clubhouse, chapel and other amenities are situated were reclassified to property and equipment.

In 2021, investment properties with a carrying amount of ₱350.8 million were reclassified to land and development costs (see Note 7).

The remaining areas allocated to investment properties as at December 31, 2021 and 2020 is 57.2 hectares and 61.9 hectares, respectively.

Patnanungan Property
ABIGI's parcels of land in Patnanungan, Quezon, measuring a total of 735.2 hectares, more or less, is reserved for future development.

Silang Property
ASTI's three parcels of land in Silang, Cavite, measuring a total of 30 hectares, more or less, is reserved for future development.

Atimonan Property
ABIRC's land in Atimonan, Quezon Province, measuring a total of 21,005 square meters, more or less, is reserved for future development.

Alphaland Southgate Tower
This property is a fully developed and operational 20-storey office tower building with a 6-storey podium known as Alphaland Southgate Tower with a land area of 9,497 square meters located at the corner of EDSA and Chino Roces Avenue in Makati City. 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.

Rent income from Alphaland Southgate Tower including common utilities, services and maintenance charges amounted to ₱164.7 million in 2019. Direct costs related to rent income amounted to ₱35.4 million in 2019, which mainly comprised of utilities and commissary costs (see Note 18).

In March 2019, the Group sold the property for net proceeds of ₱4,464.3 million resulting to a net accounting loss of ₱7,003.3 million.

The fair values of the investment properties are based on valuations performed by accredited independent appraisers as at report date, except for Atimonan Property. Management evaluated that the carrying amount of the Atimonan property approximates its fair value as at reporting date since there were no significant changes in the condition of this property and economic environment between the last appraisal in 2015 and the report date.

Income Capitalization Approach
Alphaland Makati Place Tower 3 and Podium are valued using income capitalization approach. Income capitalization approach is a comparative approach, which considers income and expense data relating to the property being valued and estimated the value through a capitalization process. Capitalization relates income and a defined value type by converting an income amount into a value estimate.

This process may consider direct relationships (known as capitalization rates), yield or discount rates (reflecting measures of return on investment), or both.

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy of the entity's portfolios of investment properties are:

- *Stabilized net operating income (NOI):* calculation used to identify performance of an investment property that produces stable income. Stabilized NOI of Tower 3 is ₱605.7 million in 2021 and 2020. Stabilized NOI of Podium amounted to ₱67,968 in 2021 and 2020.

- *Capitalization rate:* rate used to estimate the potential return of the investment property. Capitalization rate for Tower 3 and Podium is 5% in 2021 and 2010.

Sensitivity Analysis. Generally, an increase (decrease) in stabilized NOI will result in an increase (decrease) to the fair value of investment property. An increase (decrease) in the capitalization rate will result in a decrease (increase) to the fair value of an investment property. The capitalization rate magnifies the effect of a change in stabilized NOI, with a lower capitalization rate resulting in a greater impact of a change in stabilized NOI than a higher capitalization rate.

The level of activities for these properties in 2021 and 2020 were held constant primarily due to the continuing pandemic. The estimation uncertainty caused by the pandemic resulted in a fair valuation with wide range of values. The Group considers the appropriate risk adjustment considering both the short and long-term impact of the pandemic to determine the point within the range that is most representative of fair value under current market conditions.

Market Data Approach

Project	Class of Property	Significant Unobservable Inputs	(Range) 2021	2020
Alphaland Balesin Island	Land	Price per square meter	**₱1,987-₱15,000**	₱1,500-₱13,500
		Value adjustments (for development)	**-10% to 10%**	-10% to 10%
Atimonan	Land	Price per square meter	₱1,200-₱3,600	₱1,200-₱3,600
		Value adjustments	40%-80%	40%-80%
Patnanungan	Land	Price per square meter	**₱601-₱1,500**	₱854-₱1,000
		Value adjustments	**-5% to 5%**	-35%

The significant unobservable inputs to fair valuation are as follows:

Price per square meter: estimated value prevailing in the real estate market depending on the location, area, shape and time element.

Value adjustments: adjustments are made to bring the comparative values in approximation to the investment properties taking into account external factors (market conditions, competitiveness, economic condition/demand/growth, time element) and internal factors (location, size/shape/prospective utility/terrain and development).

In valuing the land using sales comparison approach, records of recent sales and offerings of similar land are analyzed and comparisons were made for such factors as size, characteristic of the lot, location, quality and prospective use.

Sensitivity Analysis. The following factors were considered in determining the market value of the subject property:

- property location and neighborhood data
- present use of the property is either commercial/residential/agricultural
- quantitative market value adjustments based on external and internal factors
- highest and best use (commercial and residential building/resort and its allied development)

Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would also affect the fair value measurement.

Land Development Approach

	December 31, 2021	
Significant Unobservable Input	**Baguio**	**Silang**
Period of land development and selling program	**5 years**	**5-6 years**
Administrative/marketing cost	**7% of gross sales**	**12% of gross sales**
Interest rate selected for discounting	**10%**	**12%**
Developer's profit	**20% of development cost**	**20% of development cost**
Proposed selling price	**₱34,500 - ₱75,000 per unit***	**₱35,000 - ₱60,000 per sqm****
Calculated no. of subdivision lots	**300 lots**	**175 - 486 lots**
Land value/annual increment of land value	**25%**	**10%-20%**

**In thousands.*
***In absolute amounts.*

	December 31, 2020	
Significant Unobservable Input	Baguio	Silang
Period of land development and selling program	5 years	5 - 6 years
Administrative/marketing cost	7% of gross sales	12% of gross sales
Interest rate selected for discounting	10%	12%
Developer's profit	20% of development cost	20% of development cost
Proposed selling price	₱32,000 - ₱65,000 per unit*	₱29,000 - ₱50,000 per sqm**
Calculated no. of subdivision lots	300 lots	175 - 486 lots
Land value/annual increment of land value	25%	10%-20%

**In thousands.*
***In absolute amounts.*

Using the land development approach, the properties are treated as mixed-used subdivision development and the gross sales that may be expected from the proposed saleable lots are then estimated in accordance with the prevailing prices of comparable development subdivision lots within the immediate vicinity. Overhead and sales expenses, and developer's profit, the residual sales income is then attributed to the "raw" land value.

The valuation process consists of the following:

- Preparation of a subdivision study in accordance with the highest and best use concept (i.e. residential subdivision development) of the land;
- Establishment of total revenue or proceeds of sales of subdivision lots on the basis of what ready-to-build sites in similar subdivisions are selling;
- Determination of development costs consisting of clearing and grading, survey, titling services, construction of access roads, roadways, curbs and gutters, sewerage and drainage system, water supply and electrical distribution, rip-rapping and supervision and other contingency items considering current prices for construction materials, labor, contractor's profit and overhead expenses;
- Estimation of overhead and sales expenses such as broker's commissions, promotion and advertisement, administrative and collection, taxes and miscellaneous expenses.

Sensitivity Analysis. Significant increase (decrease) in land value, proposed selling price and calculated no. of lots would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in administrative and marketing costs and developer's profit would result in a lower (higher) fair value measurement.

12. Property and Equipment

The composition and movements of this account are presented below (in thousands):

	Note	2021 Serviced Residences*	Aircrafts*	Buildings	Transportation Equipment	Machinery, Equipment and Tools	Office Furniture, and Equipment	Leasehold Improvements	Land	Construction in Progress	Total
Cost											
Balance at beginning of year		₱9,194,076	₱1,395,799	₱137,061	₱73,677	₱345,966	₱188,798	₱78,890	₱21,715	₱5,065	₱11,441,047
Additions		–	90,086	–	3,492	8,949	1,629	59,627	–	176	163,959
Appraisal		107,409	–	–	–	–	–	–	–	–	107,409
Transfer from investment properties	11	–	–	–	–	–	–	–	762	–	762
Transfer from land and development costs	7	18,013	–	–	–	–	–	–	–	–	18,013
Reclassifications		–	–	–	–	–	–	(99)	–	–	(99)
Balance at end of year		9,319,498	1,485,885	137,061	77,169	354,915	190,427	138,418	22,477	5,241	11,731,091
Accumulated Depreciation and Amortization											
Balance at beginning of year		483,504	401,885	29,570	57,318	256,958	128,697	76,641	–	–	1,434,573
Depreciation and amortization		185,921	73,085	4,118	8,738	15,087	22,333	23,670	–	–	332,952
Reclassifications		–	–	–	–	–	–	(58)	–	–	(58)
Balance at end of year		669,425	474,970	33,688	66,056	272,045	151,030	100,253	–	–	1,767,467
Net Carrying Amount		₱8,650,073	₱1,010,915	₱103,373	₱11,113	₱82,870	₱39,397	₱38,066	₱22,477	₱5,241	₱9,963,624

**At revalued amounts.*

	Note	2020 Serviced Residences*	Aircrafts*	Buildings	Transportation Equipment	Machinery, Equipment and Tools	Office Furniture, and Equipment	Leasehold Improvements	Land	Construction in Progress	Total
Cost											
Balance at beginning of year		₱9,068,155	₱1,985,792	₱137,061	₱69,972	₱344,752	₱182,778	₱78,561	₱21,715	₱3,741	₱11,892,527
Additions		50,000	57,763	–	3,705	1,214	6,020	329	–	1,324	120,355
Disposal		–	(647,756)	–	–	–	–	–	–	–	(647,756)
Transfer from land and development costs	7	75,921	–	–	–	–	–	–	–	–	75,921
Balance at end of year		9,194,076	1,395,799	137,061	73,677	345,966	188,798	78,890	21,715	5,065	11,441,047
Accumulated Depreciation and Amortization											
Balance at beginning of year		298,498	419,756	26,376	46,743	245,401	103,547	54,038	–	–	1,194,359
Depreciation and amortization		185,006	111,246	3,194	10,575	11,557	25,150	22,603	–	–	369,331
Disposals		–	(129,117)	–	–	–	–	–	–	–	(129,117)
Balance at end of year		483,504	401,885	29,570	57,318	256,958	128,697	76,641	–	–	1,434,573
Net Carrying Amount		₱8,710,572	₱993,914	₱107,491	₱16,359	₱89,008	₱60,101	₱2,249	₱21,715	₱5,065	₱10,006,474

**At revalued amounts.*

The Group reclassified a number of condominium units of AMPI from "Land and development costs" to "Property and equipment" account due to the change in use of the property from condominium units for sale to a property operated as serviced residences.

In 2019, the Group changed the useful life of serviced residences from 35 years to 50 years, to reflect the change in the Group's assessment of the expected economic benefits of the asset and to align with the useful life adopted by the industry. This resulted to a reduction of ₱8.3 million in depreciation expense.

In 2020, the Group sold one of its aircrafts with a carrying amount of ₱518.6 million to its stockholder. The consideration received for the aircraft was 94,306,279 ALPHA shares amounting to ₱523.1 million, resulting to a gain of ₱4.4 million (see Note 16).

In 2021, the Group applied a 20% residual value on cost of its passenger aircrafts based on factors such as historical experience, expected level of usage, and policies adopted by other comparable airlines within the industry. The change in accounting estimate has been applied on a prospective basis from January 1, 2021 and will result to lower depreciation expense in the current and future periods of ₱16.3 million and ₱182.8 million, respectively.

Fair Value Measurement

The fair value of the Group's serviced residences as determined by an independent appraiser on February 4, 2022 using the Income Capitalization Approach and as adjusted for appropriate risk factor amounted to ₱8,650.1 million. The difference between the fair value and the carrying amount of the serviced residences amounting to ₱107.4 million in 2021 was recognized as revaluation increase. The fair value measurement for serviced residences has been categorized as Level 3 (significant unobservable inputs).

The fair value of the Group's aircrafts as determined by an independent appraiser on December 12, 2018 using Cost Approach amounted to ₱1,446.1 million. The fair value measurement for the Group's aircraft has been categorized as Level 3 (significant unobservable inputs). Management evaluated that the carrying amount of the aircrafts approximate its fair value as at reporting date.

The revaluation surplus recognized in the equity section of the consolidated statements of financial position amounted to ₱3,664.9 million and ₱3,428.7 million as at December 31, 2021 and 2020, respectively.

The carrying amount of property and equipment measured at revalued amounts had they been recognized at cost are as follows:

	(In Thousands)	
	2021	2020
Serviced residences	**₱3,880,734**	₱3,977,454
Aircrafts	**956,701**	931,469
	₱4,837,435	₱4,908,923

Income Capitalization Approach
Serviced residences was valued using income capitalization approach. Income capitalization approach is a comparative approach, which considers income and expense data relating to the property being valued and estimated the value through a capitalization process. Capitalization relates income and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalization rates), yield or discount rates (reflecting measures of return on investment), or both.

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy of the entity's serviced residences are:

- *Stabilized NOI:* calculation used to identify performance of a property that produces stable income. Stabilized NOI amounted to ₱443.3 million in 2021 and 2020.

- *Capitalization rate:* rate used to estimate the potential return of the property. The capitalization rate in the fair valuation is 5% in 2020 and 2019.

Sensitivity Analysis. Generally, an increase (decrease) in stabilized NOI will result in an increase (decrease) to the fair value of serviced residences. An increase (decrease) in the capitalization rate will result in a decrease (increase) to the fair value of serviced residences. The capitalization rate magnifies the effect of a change in stabilized NOI, with a lower capitalization rate resulting in a greater impact of a change in stabilized NOI than a higher capitalization rate.

The level of activities for these properties in 2021 and 2020 were held constant primarily due to the continuing pandemic. The estimation uncertainty caused by the pandemic resulted in a fair valuation with wide range of values. The Group considers the appropriate risk adjustment considering both the short and long-term impact of the pandemic to determine the point within the range that is most representative of fair value under current market conditions.

Cost Approach
In determining the fair value of aircrafts, cost data were gathered from original import commercial invoices and as well as the comparable sources of similar machinery and equipment and use of prices and other relevant information generated by market transaction involving similar asset. The fair value was determined by reference to the replacement cost translated at the current foreign exchange rate.

Sensitivity Analysis. Significant increase (decrease) in replacement cost and exchange rate would result in a significantly higher (lower) fair value measurement.

Further information about the assumptions made in measuring fair values is included in Note 25.

Depreciation and amortization arises from the following accounts:

		(In Thousands)		
	Note	**2021**	2020	2019
Property and equipment		**₱332,952**	₱369,331	₱348,667
ROU assets	18	**5,457**	4,535	4,535
Software	13	**1,511**	2,865	2,041
		₱339,920	₱376,731	₱355,243

Depreciation and amortization are allocated as follows:

	Note	2021	2020	2019
		(In Thousands)		
Cost of services	20	**₱260,242**	₱294,157	₱276,648
General and administrative expenses	20	**75,636**	78,434	73,436
Capitalized as part of land and development costs	7	**4,042**	4,140	5,159
		₱339,920	₱376,731	₱355,243

13. Other Noncurrent Assets

This account consists of:

	Note	2021	2020
		(In Thousands)	
Deferred input VAT		**₱100,433**	₱91,612
ROU assets	18	**24,240**	10,412
Refundable deposits		**20,015**	19,248
Prepayments		**14,611**	13,571
Receivables from sale of club shares	10	**8,956**	11,099
Advances to contractors and suppliers - net of current portion	8	**4,003**	4,149
Software		**2,205**	3,405
Others		**2,000**	2,000
		₱176,463	₱155,496

Refundable deposits include billing and meter deposits to Manila Electric Company (Meralco). These are refundable upon termination of service of Meralco.

The movements in software are as follows:

	Note	2021	2020
		(In Thousands)	
Cost			
Balance at beginning of year		**₱18,400**	₱17,294
Additions		**311**	1,106
Balance at end of year		**18,711**	18,400
Accumulated Amortization			
Balance at beginning of year		**14,995**	12,130
Amortization	12	**1,511**	2,865
Balance at end of year		**16,506**	14,995
Net Carrying Amount		**₱2,205**	₱3,405

14. Trade and Other Payables

This account consists of:

	Note	(In Thousands) 2021	2020
Trade		**₱1,423,232**	₱1,466,431
Accrued expenses:			
Construction costs		**261,591**	322,601
Others		**263,798**	130,841
Deposits from sale of real estate	7	**235,965**	411,616
Statutory payables		**377,035**	189,968
Retention payable	26	**270,485**	383,998
Nontrade		**61,153**	–
Unearned rental income	18	**16,070**	7,996
Current portion of lease liabilities	18	**6,917**	3,116
Others		**210,556**	22,649
		₱3,126,802	₱2,939,216

Trade payables are noninterest-bearing and are due for payment within 30 to 120 days.

Accrued expenses mainly pertain to accruals for development costs, capital gains tax, and general and administrative expenses which are generally settled within one year.

Noncurrent portion of deposits from sale of real estate amounted to ₱3.4 million as at December 31, 2021 and 2020 presented under "Other noncurrent liabilities" account in the consolidated statements of financial position.

Statutory payables consist of expanded withholding taxes and contributions to regulatory agencies. These are normally settled within the following month.

15. Long-term Debt

The Group settled the following long-term debt in 2019:

	Amount	Interest Rates
BDO Unibank, Inc.		
ALPHA	₱5,521,020	7.1% to 9.2%
ABMLHI	380,032	7.0%
BDO Leasing and Finance, Inc.		
AAPI	167,738	7.0% to 8.0%
AAI	130,141	7.04%
	₱6,198,931	

Capitalized interest and other financing costs on the loans amounted to ₱36.2 million and ₱146.0 million in 2019 (see Note 7). The rate used to determine the amount of borrowing cost eligible for capitalization was 1.35% as at December 31, 2019.

Finance costs recognized in the consolidated statements of comprehensive income are as follows:

	(In Thousands)		
	2021	2020	2019
Finance charges	**₱2,371**	₱2,593	₱13,645
Long-term debt	**–**	–	178,413
	₱2,371	₱2,593	₱192,058

Finance charges include interest on lease liabilities, bank charges, and accretion of customers' deposits.

16. Equity

Capital Stock

The composition of ALPHA's capital stock consisting of all common shares are as follows:

	2021		2020	
	Number of Shares	**Amount***	Number of Shares	Amount*
Authorized - ₱0.1 Par Value	**50,000,000,000**	**₱5,000,000**	50,000,000,000	₱5,000,000
Issued				
Beginning of year	**27,013,232,720**	**₱2,702,323**	28,411,738,420	₱2,842,174
Revisions to deed of subscriptions	**–**	**–**	(1,398,505,700)	(139,851)
End of year	**27,013,232,720**	**2,702,323**	27,013,232,720	2,702,323
Parent Company's shares held by a subsidiary				
Beginning and end of year	**(13,834,274,790)**	**(16,881,220)**	(13,834,274,790)	(16,881,220)
Treasury Stock				
Beginning of year	**(98,545,279)**	**(524,283)**	(4,239,000)	(1,214)
Additions	**–**	**–**	(94,306,279)	(523,069)
End of year	**(98,545,279)**	**(524,283)**	(98,545,279)	(524,283)
Outstanding	**13,080,412,651**	**₱2,178,040**	13,080,412,651	₱2,178,040

**In thousands.*

The total number of shareholders, which includes PCD Nominee Corporation, is 89 and 87 as at December 31, 2021 and 2020, respectively.

On January 2, 2020, a group of shareholders reduced the number of their subscribed ALPHA shares from 1,864,664,150 to 466,158,450. ALPHA and the shareholders executed a new Deed of Subscriptions (Deed) to supersede the previous Deed executed by the parties on June 11, 2018. This resulted to a decrease in capital stock and increase in additional paid-in capital amounting to ₱139.9 million.

Parent Company's Shares Held by a Subsidiary

On June 5, 2014, Alphaland Holdings (Singapore) Pte. Limited (AH) and Masrickstar Corporation (MC) on one hand, and another group affiliated with RVO including ALPHA and ASTI (collectively, the "RVO Group") entered into a Memorandum of Agreement (MOA) to settle a shareholder dispute. Pursuant to the MOA, ALPHA, through its 100%-owned subsidiary, ASTI acquired the shares of stock of ALPHA owned by AH, MC and Credit Suisse (Singapore) Limited (Credit Suisse), another shareholder, and received ₱2,500.0 million in cash in exchange for assets and liabilities mainly comprising of 100% ownership of Alphaland Makati Tower, Inc. (AMTI); 100% ownership of Alphaland Marina Corporation (AMC) including AMC's investment in preferred shares of Alphaland Marina Club, Inc. (AMCI); 50% ownership of Alphaland Bay City Corporation (ABCC), the joint venture company formed by ASTI and a group led by D.M. Wenceslao & Associates, Inc. (DMWAI) (the Wenceslao Group or "WG"); and 60% interest in the unincorporated joint venture between the Group and Akean Resorts Corporation and the additional parcels of land acquired by the Group with total area of approximately 10.81 hectares.

On October 17, 2014, these assets owned by the Group were transferred to Bedfordbury Development Corporation (BDC), a newly incorporated company owned by AH and MC. AH, MC and BDC will be collectively referred to as the "AH Group."

The Group's joint venture with WG is subject to litigation because of WG's actions in causing a delay in ASTI and AMC's construction and development of the Marina Club Project. With BDC's takeover of AMC and AMCI, BDC assumed the responsibility of handling the litigation with WG.

Pursuant to the implementation of the MOA discussed above, ASTI acquired shares of stock of ALPHA owned by AH, MC and Credit Suisse amounting to ₱16,818.0 million.

In 2017, ASTI acquired additional shares of stock of ALPHA owned by a minority shareholder amounting to ₱63.2 million.

Treasury Shares

In 2020, the Group sold one of its aircrafts with a carrying amount of ₱518.6 million to its stockholder. The consideration received for the aircraft was 94,306,279 ALPHA shares amounting to ₱523.1 million, resulting to a gain of ₱4.4 million (see Note 12).

Retained Earnings

Significant component of the retained earnings pertain to cumulative gain on fair value changes of investment properties, net of tax, amounting to ₱44,107.0 million and ₱39,860.2 million as at December 31, 2021 and 2020, respectively (see Note 11).

On March 3, 2021, the BOD of ALPHA resolved that ₱2.0 billion out of the retained earnings shall be appropriated to fund the corporate projects and programs to be identified and approved by the Executive Committee of the BOD.

On July 30, 2021 BOD of ALPHA approved the declaration of cash dividend of ₱523.2 million or ₱0.04 per share on all of the outstanding shares as of July 15, 2021, date of record. The dividend was paid in 2021.

17. Related Party Transactions

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:

			(In Thousands)			
			2021		2020	
	Nature of Transactions	Note	**Amount of Transactions**	**Outstanding Balances**	Amount of Transactions	Outstanding Balances
Trade and other receivables						
Trade						
Related companies under common key management	Air transport services	6	**₱160,348**	**₱323,890**	₱89,889	₱311,012
Nontrade						
Related companies under common key management	Capital expenditures, debt servicing		**151,610**	**204,075**	–	52,465
				₱527,965		₱363,477
Advances to						
Associate -						
AHEC	Reimbursement of expenses		**₱–**	**₱1,023**	₱–	₱1,023
Related companies under common key management	Reimbursement of expenses		**₱–**	**₱3,983,186**	₱584,598	₱4,111,702
Trade and other payables						
Trade						
Related companies under common key management	Acquisition of properties		**₱–**	**₱647,301**	₱–	₱647,301
Advances from related companies						
Related companies under common key management	Advances		**₱–**	**₱2,023,976**	₱–	₱2,023,976
	Association dues	20	**38,982**	**38,982**	162,514	162,514
	Purchase of assets and reimbursement of expenses		**311,170**	**466,791**	–	155,621
				₱2,529,749		₱2,342,111

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

- As discussed in Note 11, RVO is the beneficial owner of certain investment properties (i.e. Baguio Property) acquired by the Group during 2015.

- 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, 2021 and 2020 is due and demandable (see Note 10).

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.

Compensation of Key Management Personnel
The details of compensation of key management personnel, follow:

	(In Thousands)		
	2021	2020	2019
Short-term employee benefits	**₱91,882**	₱75,660	₱91,983
Post-employment benefits	**27,564**	18,935	24,804
	₱119,446	₱94,595	₱116,787

Stock Option Plan
The Company's Stock Option Plan was approved by the BOD of ALPHA on June 5, 2013, and by stockholders representing more than 2/3 of the outstanding capital stock of ALPHA during the annual meeting held on December 3, 2014. The Stock Option Plan Committee awarded stock options to key officers and employees of the Group from 2017 to 2019. The effectivity date of the grant is one year after an option is awarded to the employee. One-third (1/3) of the total number of shares covered by a grant to an employee shall vest upon the effectivity of the grant. Another 1/3 of the shares shall vest one year after the effectivity date and the remaining 1/3 of the shares shall vest two years after the effectivity date of the grant. Furthermore, the Stock Option Plan shall not vest until the listing of ALPHA shares in a stock exchange. The Stock Option Plan was approved by the SEC on July 24, 2019.

18. Leases

The Group as a Lessee

Hangar Leases
In June 2011, the Group and Civil Aviation Authority of the Philippines (CAAP) entered into a noncancellable lease agreement for the use of a portion of CAAP's hangar, including the appurtenant structures, with an aggregate land area of approximately 1,580 square meters for 10 years at ₱70 per square meter subject to an escalation rate of 10% per annum. In 2021, the lease was renewed for a period of five years subject to an escalation rate of 5% per annum. The original scope of the lease remained unchanged.

Management assessed that the substance of such lease term extension constitutes a modification of the existing lease and thus accounted the renewal as a lease modification effective on the date of agreement of both parties. Accordingly, the Group remeasured the existing lease liability to include the lease payments covered by the new lease using a revised discount rate.

In July 2016, the Group and Clark International Airport Corporation (CIAC) entered into a noncancellable lease agreement for the lease of structure and open space with a total area of 2,590 square meters, for 9 years. The agreement requires for a minimum guaranteed lease payment plus 20% of gross rental income from sub-lessees, if any, and is subject to an escalation rate of 10% per annum.

The incremental borrowing rate applied to the lease liabilities ranges from 3.19% to 7.05%, depending on the lease term.

The balance of and movements in ROU assets as at December 31 are as follows:

	Note	2021	2020
		(In Thousands)	
Cost			
Balance at beginning of year		**₱19,482**	₱19,482
Addition		**19,285**	–
Balance at end of year		**38,767**	19,482
Accumulated Amortization			
Balance at beginning of year		**9,070**	4,535
Amortization		**5,457**	4,535
Balance at end of year		**14,527**	9,070
Carrying Amount	13	**₱24,240**	₱10,412

The balance of and movements in lease liabilities are as follows:

	Note	2021	2020
		(In Thousands)	
Balance at beginning of year		**₱12,133**	₱16,335
Addition		**19,285**	–
Rental payments		**(5,991)**	(5,211)
Interest		**1,060**	1,009
Balance at end of year		**26,487**	12,133
Current portion	14	**6,917**	3,116
Noncurrent portion		**₱19,570**	₱9,017

Operating Lease - Group as a Lessor

AMPI entered into various operating lease agreements as a lessor covering mall and office spaces at Alphaland Makati Place for a period ranging from two to ten years which may be renewed or extended under such new or additional terms or conditions agreed by the parties. Upon inception of the lease agreements, tenants are required to pay certain amounts of deposits.

Tenants likewise pay either a fixed monthly rent, which is calculated with reference to a fixed sum per square meter of area leased, or pay rent on a percentage rental basis, which comprises a basic monthly amount and a percentage of gross sales or a minimum set amount, whichever is higher. The terms of the lease agreements also provide for an increase in the rent generally at the rate of 5% to 7% escalation rate starting on the third year of the lease term for AMPI.

ASTI entered into various operating lease agreements as a lessor covering mall and office spaces at Alphaland Southgate Tower for a period ranging from one to ten years. The terms of the lease agreements also provide for an increase in the rent generally at the rate of 5% to 10% starting on the second year and annually thereafter for ASTI. As disclosed in Note 11, the Group sold Alphaland Southgate Tower in 2019.

Rent income and billings for common utilities, services and maintenance charges from Alphaland Southgate Tower and Alphaland Makati Place aggregated ₱336.3 million, ₱491.8 million and ₱853.2 million in 2021, 2020 and 2019, respectively (see Note 11). Direct costs related to rent income aggregated ₱78.9 million, ₱86.9 million and ₱154.1 million in 2021, 2020 and 2019, respectively, which mainly comprised of utilities and commissary costs (see Note 11).

As at December 31, 2021 and 2020, the Group's receivable from tenants amounting to ₱22.3 million and ₱50.5 million, respectively, were presented under "Trade and other receivables" account in the consolidated statements of financial position (see Note 6).

The Group's customers' deposits on lease contracts are as follows:

	(In Thousands)	
	2021	2020
Current	**₱180,933**	₱107,980
Noncurrent	**80,105**	120,519
	₱261,038	₱228,499

Customers' deposits on lease contracts are generally equivalent to six months rental and refundable at the end of the lease term. Current portion pertains to one year operating lease agreements while noncurrent portion pertains to two to five years' operating lease agreements.

The Group recognizes the customers' deposits at fair value. The fair value of the deposit is determined based on the prevailing market rate of interest for a similar loan. The excess of the principal amount of the deposit over its fair value is accounted for as deferred lease income and amortized on a straight-line basis. The deferred lease income amounted to ₱3.0 million as at December 31, 2021 and 2020, respectively, and is included under "Other noncurrent liabilities" account in the consolidated statements of financial position. Interest on the deposit is accounted for using the effective interest rate method.

Aside from customers' deposits paid by tenants, advance rentals generally equivalent to two months rental are also paid and included in the initial billing to tenants, which shall be applied to the monthly rental at the end of the lease term. Current portion of advance rentals amounted to ₱16.1 million and ₱8.0 million as at December 31, 2021 and 2020, respectively (see Note 14). Noncurrent portion amounting to ₱12.2 million and ₱22.6 million as at December 31, 2021 and 2020, respectively, are included under "Other noncurrent liabilities" account in the consolidated statements of financial position.

19. Revenues

This account consists of:

	Note	2021	2020	2019
		(In Thousands)		
Real estate sales of:				
Log homes		**₱1,700,358**	₱490,259	₱313,830
Private Villa		**357,143**	544,643	801,786
		2,057,501	1,034,902	1,115,616
Service income:				
Air transport services		**189,576**	84,237	202,110
Room revenues		**186,202**	243,021	171,567
Medical services		**103,678**	55,165	29,656
Security services		**36,618**	17,272	127,205
		516,074	399,695	530,538
Rental income	18	**336,323**	491,802	853,183
Interest income	5	**21,116**	28,072	26,545
Others		**95,449**	43,702	50,454
		₱3,026,463	₱1,998,173	₱2,576,336

Other revenues consist mainly of commission income and income from restaurant operations.

20. Costs and Expenses

Costs and expenses are classified in the consolidated statements of comprehensive income as follows:

	Note	2021	2020	2019
		(In Thousands)		
Cost of real estate sold -				
Land and development cost	7	**₱1,058,732**	₱452,170	₱552,587
Cost of services:				
Transportation		**₱192,425**	₱209,622	₱231,543
Depreciation and amortization	12	**185,921**	185,006	174,035
Utilities		**80,920**	86,901	154,621
Security services		**63,756**	25,916	19,340
Room services		**50,367**	66,880	115,317
Medical services		**22,744**	32,850	65,597
Others		**2,640**	1,038	1,178
		₱598,773	₱608,213	₱761,631

	Note	(In Thousands) 2021	2020	2019
General and administrative:				
Salaries and employees' benefits		**₱175,163**	₱154,024	₱249,713
Taxes and licenses		**98,938**	192,889	70,094
Service and professional fees		**88,895**	81,342	113,111
Depreciation and amortization	12	**75,636**	78,434	73,436
Utilities and rent		**69,663**	26,635	133,565
Sales and marketing		**55,450**	24,318	170,084
Representation		**44,098**	41,484	34,761
Travel and transportation		**37,957**	35,868	63,475
Repairs and maintenance		**32,131**	28,439	44,269
Insurance		**27,723**	20,055	11,597
Supplies		**9,012**	12,274	49,843
Communication		**5,850**	10,821	1,089
Association dues	17	**38,982**	162,514	–
Others		**84,567**	95,683	106,818
		₱844,065	₱964,780	₱1,121,855

Transportation expense, security services and medical services under "Cost of services" account includes depreciation amounting to ₱74.3 million, ₱109.2 million and ₱102.6 million in 2021, 2020 and 2019, respectively (see Note 12).

21. Retirement Liability

The Group has an unfunded defined benefit plan covering all its regular employees. Benefits are computed using an amount equivalent to one-half month's salary for every year of service, with six months or more of service considered as one year. The retirement liability is determined using the projected unit credit method. The latest available actuarial report of the Company is as at December 31, 2020.

The components of the retirement benefit expense included in "Salaries and employees' benefits" presented under "General and administrative" account in the consolidated statements of comprehensive income are as follows:

	(In Thousands) 2021	2020	2019
Retirement benefit cost:			
Current service cost	**₱18,698**	₱13,912	₱12,463
Interest cost	**2,853**	3,147	2,537
	₱21,551	₱17,059	₱15,000

The components of retirement liability recognized in the consolidated statements of financial position and the changes in the present value of defined benefit obligation as at December 31 are as follows:

	(In Thousands)	
	2021	2020
Present value of defined benefit obligation:		
Balance at beginning of year	**₱73,258**	₱65,784
Current service cost	**18,698**	13,912
Interest cost	**2,853**	3,147
Remeasurement gain	**–**	(5,368)
Benefits paid	**–**	(4,217)
Balance at end of year	**₱94,809**	₱73,258

The accumulated remeasurement gain on retirement liability, net of deferred income tax, recognized in the equity section of the consolidated statements of financial position amounted to ₱34.7 million and ₱46.3 million as at December 31, 2021 and 2020, respectively.

Principal actuarial assumptions used to determine retirement benefit obligations are as follows:

	2021	2020
Discount rate	**4.85%-5.06%**	3.70% - 3.95%
Salary increase rate	**5.00%**	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the present value of the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	Change in Assumption	(In Thousands) Increase (Decrease) 2021	2020
Discount rate	+1.00%	**(₱9,447)**	(₱7,941)
	-1.00%	**15,645**	9,794
Salary increase rate	+1.00%	**15,305**	9,577
	-1.00%	**(12,878)**	(7,934)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	(In Thousands)	
	2021	2020
Within one year	**₱1,142**	₱10,518
After than one year but not more than five years	**33,211**	27,696
More than five years	**26,628**	33,285

The average duration of the defined benefit obligation at the end of year is 12.0 years and 13.0 years in 2021 and 2020, respectively.

22. Income Taxes

The provision for current income tax represents MCIT for AAI in 2021, AWCI and ABIGI in 2020 and ALPHA, AMPI, ABMLHI, ABIGI and AWCI in 2019, and RCIT for other companies within the Group.

For income tax purposes, full recognition is applied when more than 25% of the selling price of real estate sales has been collected in the year of sale. Otherwise, the installment method is applied.

The reconciliation of income tax computed at statutory tax rate to provision for (benefit from) income tax shown in the consolidated statements of comprehensive income follows:

	(In Thousands)		
	2021	2020	2019
Income tax computed at statutory tax rate	**₱587,923**	₱1,294,609	₱3,367,444
Effect of change in tax rate	**(2,601,059)**	–	–
Applied and expired NOLCO	**33,308**	48,608	148,802
Change in unrecognized deferred tax assets	**(4,418)**	17,670	(120,624)
Applied and expired MCIT	**180**	16,228	16,020
Additions to (reductions in) income tax resulting from:			
Nontaxable income	**(173,421)**	(6,133)	(1,500,808)
Nondeductible expenses and others	**80,350**	69,760	1,482,229
Interest income already subjected to final tax	**(1,064)**	(1,327)	(1,339)
	(₱2,078,021)	₱1,439,415	₱3,391,724

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") was approved and signed into law by the country's President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the MCIT was changed from 2% to 1% of gross income for a period of three years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

The Group, however, for financial reporting purposes, did not adopt the change in income tax rates in 2020. The benefit from the current and deferred income tax in 2021 includes an adjustment recognized in 2021 for provision for current and deferred tax in 2020 relation to the change in income tax rate. Details as follows:

	Current	Deferred	Total
Provision for income tax	₱300,408	₱376,235	₱676,643
Adjustment for effect of change in income tax rate in 2020	12,351	2,742,313	2,754,664
	₱288,057	(₱2,366,078)	(₱2,078,021)

The following are the components of the Group's net deferred tax liabilities:

	(In Thousands)	
	2021	2020
Deferred tax liabilities:		
Cumulative gain on fair value change of investment properties	**₱14,702,345**	₱17,082,954
Unrealized valuation gain on club shares for sale	**4,085,182**	4,143,997
Revaluation surplus	**1,043,731**	1,283,454
Accumulated depreciation for tax purposes	**174,720**	162,739
Capitalized borrowing costs	**26,325**	58,137
Remeasurement gain on retirement liability	**11,581**	–
Difference in rent income on operating lease due to use of straight-line basis of accounting	**3,101**	–
	20,046,985	22,731,281
Deferred tax assets:		
Accrued expense not yet deductible	**36,899**	44,278
Difference of POC between accounting and tax	**22,019**	32,494
Difference in rent income on operating lease due to use of straight-line basis of accounting	**–**	13,407
	58,918	90,179
	₱19,988,067	₱22,641,102

The following deferred tax assets were not recognized as it is not probable that sufficient taxable profit will be available to allow the benefit of the net deferred tax assets to be utilized in the future:

	(In Thousands)	
	2021	2020
NOLCO	**₱94,087**	₱159,472
Accrued rent	**12,942**	18,458
Allowance for impairment loss on receivables	**9,051**	9,407
Retirement liability	**7,914**	9,304
Unrealized foreign exchange losses	**2,134**	5,052
MCIT	**861**	954
Unearned income	**214**	63
	₱127,203	₱202,710

On September 30, 2020, the BIR issued RR No. 25-2020 to implement Section 4 (bbbb) of Republic Act No. 11494, *Bayanihan to Recover as One Act*, allowing the net operating losses for the taxable years 2020 and 2021 to be carried over for the next five (consecutive taxable years immediately following the year of such loss. Consequently, NOLCO incurred in 2021 and 2020 amounting to ₱114.9 million and ₱223.1 million are allowed as deduction from future taxable income until 2026 and 2025, respectively.

The details of NOLCO, which can be claimed as deduction against future taxable income is shown below (in thousands).

Year Incurred	Beginning Balance	Incurred	Applied/ Expired	Ending Balance	Valid Until
2021	₱–	₱114,889	₱–	₱114,889	2026
2020	223,061	–	(6,256)	218,825	2025
2019	164,928	–	–	164,928	2022
2018	143,584	–	(143,584)	–	2021
	₱531,573	₱114,889	(₱149,840)	₱498,642	

The details of MCIT which can be claimed as deduction from income tax due are as follows (in thousands):

Year Incurred	Beginning Balance	Incurred	Applied/ Expired	Ending Balance	Valid Until
2021	₱–	₱87	₱–	₱87	2024
2020	190	–	–	190	2023
2019	742	–	(158)	584	2022
2018	22	–	(22)	–	2021
	₱954	₱87	(₱180)	₱861	

23. Total Comprehensive Income Per Share and Book Value Per Share Computation

Total comprehensive income per share is computed as follows:

	2021	2020	2019
(a) Total comprehensive income attributable to equity holders of the Parent Company (in thousands)	**₱4,510,098**	₱1,578,187	₱10,688,482
(b) Weighted average number of shares outstanding	**13,080,412,651**	13,166,860,073	14,573,224,623
Basic/diluted earnings per share (a/b)	**₱0.345**	₱0.120	₱0.733

The Group has no dilutive potential common shares outstanding, therefore basic earnings per share is the same as diluted earnings per share.

Book value per share is computed as follows:

	2021	2020
(a) Total equity (in thousands)	**₱86,059,024**	₱81,991,287
(b) Total number of shares outstanding at end of year	**13,080,412,651**	13,080,412,651
Book value per share (a/b)	**₱6.579**	₱6.268

The information presented above are intended as additional information for management reporting purposes only.

24. Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, trade and other receivables (excluding advances to officers and employees), advances to related companies, restricted cash (presented under "Other current assets" account), refundable deposits (presented under "Other noncurrent assets" account), advances to an associate, club shares for sale, trade and other payables (excluding deposits from sale, unearned rent income and statutory payables), customers' deposits and advances from related companies. The main purpose of these financial instruments is to provide funds for the Group's operations.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and manage the Group's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has exposure to credit risk and liquidity risk from the use of its financial instruments. The Group's exposure to foreign currency risk is minimal as it does not normally enter into transactions in currencies other than its functional currency. The BOD reviews and approves the policies for managing each of these risks.

Credit Risk

The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the Parent Company, the Group does not offer credit terms without the specific approval of the Chief Finance Officer.

With respect to credit risk arising from the other financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades with recognized third parties and related parties, there are no other concentrations of credit risk within the Group.

Credit Quality of Financial Assets. The credit quality of financial assets is managed by the Group using internal credit ratings such as high grade, standard grade, past due but not impaired and impaired.

High Grade - pertains to deposits or placements to counterparties with good credit rating or bank standing. For receivables, this covers accounts of good paying customers, with good credit standing and are not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies.

Standard Grade - other financial assets not belonging to high quality financial assets are included in this credit rating.

Past due but not impaired - pertains to financial assets where contractual payments are past due but the Group believes that impairment is not appropriate based on the probability of collection of amounts owed to the Group.

Impaired - pertains to financial assets for which the Group determines that it is probable that it will not be able to collect the amount due based on the contractual terms and agreements.

The table below shows the credit quality of the Group's financial assets as at year end:

	(In Thousands)					
	December 31, 2021					
		Neither Past Due nor Impaired				
	Total	High Grade	Standard Grade	Total	Past Due but not Impaired	Past Due and Impaired
Financial Assets at Amortized Cost						
Cash and cash equivalents*	**₱1,168,743**	**₱1,168,743**	**₱–**	**1,168,743**	**₱–**	**₱–**
Trade and other receivables**	**2,750,331**	**2,705,417**	**–**	**2,705,417**	**–**	**44,914**
Advances to an associate and related companies	**3,984,209**	**3,984,209**	**–**	**3,984,209**	**–**	**–**
Restricted cash	**9,348**	**9,348**	**–**	**9,348**	**–**	**–**
Refundable deposits	**20,015**	**20,015**	**–**	**20,015**	**–**	**–**
	7,932,646	**7,887,732**	**–**	**7,887,732**	**–**	**44,914**
Financial Assets at FVOCI						
Unquoted Clubs' preferred shares	**31,010,900**	**31,010,900**	**–**	**31,010,900**	**–**	**–**
	₱38,943,546	**₱38,898,632**	**₱–**	**₱38,898,632**	**₱–**	**₱45,046**

**Excluding cash on hand amounting to ₱2,995.*

***Excluding advances to officers and employees and including noncurrent portion of trade receivables amounting to ₱15,750 and ₱8,956, respectively.*

	(In Thousands)					
	December 31, 2020					
		Neither Past Due nor Impaired				
	Total	High Grade	Standard Grade	Total	Past Due but not Impaired	Past Due and Impaired
Financial Assets at Amortized Cost						
Cash and cash equivalents*	₱767,808	₱767,808	₱–	₱767,808	₱–	₱–
Trade and other receivables**	1,154,749	1,109,835	–	1,109,835	–	44,914
Advances to an associate and related companies	4,112,725	4,112,725	–	4,112,725	–	–
Restricted cash	10,142	10,142	–	10,142	–	–
Refundable deposits	19,248	19,248	–	19,248	–	–
	6,064,672	6,019,758	–	6,019,758	–	44,914
Financial Assets at FVOCI						
Unquoted Clubs' preferred shares	31,511,900	–	31,511,900	31,511,900	–	–
	₱37,576,572	₱6,019,758	₱31,511,900	₱37,531,658	₱–	₱44,914

**Excluding cash on hand amounting to ₱1,849.*

***Excluding advances to officers and employees and including noncurrent portion of trade receivables amounting to ₱11,587 and ₱11,099, respectively.*

The following are the aging analyses of financial assets as at year end:

	(In Thousands) December 31, 2021						
			Past Due But Not Impaired				
	Total	Neither Past Due nor Impaired	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	Past Due And Impaired
Financial Assets at Amortized Cost							
Cash and cash equivalents*	₱1,168,743	₱1,168,743	₱–	₱–	₱–	₱–	₱–
Trade and other receivables**	2,750,331	2,705,417	–	–	–	–	44,914
Advances to an associate and related companies	3,984,209	3,984,209	–	–	–	–	–
Restricted cash	9,348	9,348	–	–	–	–	–
Refundable deposits	20,015	20,015	–	–	–	–	–
	7,932,646	7,887,732	–	–	–	–	44,914
Financial Assets at FVOCI							
Unquoted Clubs' preferred shares	31,010,900	31,010,900	–	–	–	–	–
	₱38,943,546	₱38,898,632	₱–	₱–	₱–	₱–	₱44,914

**Excluding cash on hand amounting to ₱2,995.*
***Excluding advances to officers and employees and including noncurrent portion of trade receivables amounting to ₱15,750 and ₱8,956, respectively.*

	(In Thousands) December 31, 2020						
			Past Due But Not Impaired				
	Total	Neither Past Due nor Impaired	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	Past Due And Impaired
Financial Assets at Amortized Cost							
Cash and cash equivalents*	₱767,808	₱767,808	₱–	₱–	₱–	₱–	₱–
Trade and other receivables**	1,154,749	1,109,835	–	–	–	–	44,914
Advances to an associate and related companies	4,112,725	4,112,725	–	–	–	–	–
Restricted cash	10,142	10,142	–	–	–	–	–
Refundable deposits	19,248	19,248	–	–	–	–	–
	6,064,672	6,019,758	–	–	–	–	44,914
Financial Assets at FVOCI							
Unquoted Clubs' preferred shares	31,511,900	31,511,900	–	–	–	–	
	₱37,576,572	₱37,531,658	₱–	₱–	₱–	₱–	₱44,914

**Excluding cash on hand amounting to ₱1,849.*
***Excluding advances to officers and employees and including noncurrent portion of trade receivables amounting to ₱11,587 and ₱11,099, respectively.*

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time. Management is responsible for liquidity, funding, as well as settlement management. In addition, liquidity and funding risks, related processes and policies are overseen by management. The Group manages its liquidity risk based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The Group also maintains a balance between continuity of funding and flexibility. The policy of the Group is to first exhaust lines available from affiliated companies before local bank lines are availed. The Group seeks to manage its liquid funds through cash planning on a weekly basis. The Group uses historical figures and experiences and forecasts from its collections and disbursements. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities. Also, the Group only places funds in the money market which are exceeding the Group requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

The tables below summarize the maturity profile of the Group's financial liabilities based on undiscounted cash flows:

	(In Thousands) December 31, 2021					
	On Demand	**1–30 Days**	**31–60 Days**	**61–90 Days**	**More than 90 Days**	**Total**
Financial Liabilities						
Trade and other payables*	**₱432,743**	**₱2,064,989**	**₱–**	**₱–**	**₱–**	**₱2,497,732**
Customers' deposits	**180,933**	**–**	**–**	**–**	**80,105**	**261,038**
Advances from related companies	**2,529,749**	**–**	**–**	**–**	**–**	**2,529,749**
	₱3,141,868	**₱2,064,989**	**₱–**	**₱–**	**₱80,105**	**₱5,288,519**

**Excluding deposits from sale, unearned rent income, and statutory payables amounting to ₱629,070.*

	(In Thousands) December 31, 2020					
	On Demand	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	Total
Financial Liabilities						
Trade and other payables*	₱409,763	₱1,919,873	₱–	₱–	₱–	₱2,329,636
Customers' deposits	107,980	–	–	–	120,519	228,499
Advances from related companies	2,342,111	–	–	–	–	2,342,111
	₱2,859,854	₱1,919,873	₱–	₱–	₱120,519	₱4,900,246

**Excluding deposits from sale, unearned rent income, and statutory payables amounting to ₱609,580.*

Capital Management

The primary objective of the Group's capital management is to ensure that the Group has sufficient funds in order to support its business, pay existing obligations and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To manage or adjust the capital structure, the Group may obtain additional advances from stockholders, adjust the return capital to stockholders or issue new shares. No changes were made in the objectives, policies or processes in 2021 and 2020. The Group monitors capital using the monthly cash position report and financial statements. The Parent Company is not subject to externally imposed capital requirements.

The components of the Group's capital are as follows:

	(In Thousands) 2021	2020
Layer I:		
Capital stock	**₱2,702,323**	₱2,702,323
Additional paid-in capital	**12,909,581**	12,909,581
	15,611,904	15,611,904
Layer II:		
Retained earnings - operating income	**1,691,915**	(891,193)
Parent Company's shares held by a subsidiary	**(16,881,220)**	(16,881,220)
Treasury shares	**(524,283)**	(524,283)
	(15,713,588)	(18,296,696)

(Forward)

	(In Thousands)	
	2021	2020
Layer III:		
Unrealized valuation gain on club shares for sale	**₱23,136,500**	₱23,482,648
Revaluation surplus	**3,664,880**	3,428,674
Accumulated remeasurement gain on retirement liability	**34,744**	46,325
Retained earnings - gain on fair value change of investment properties	**58,563,124**	56,957,327
Retained earnings - others	**761,887**	761,887
	86,161,135	84,676,861
Total capital	**₱86,059,451**	₱81,992,069

- Layer I is composed of the Group's contributed capital;
- Layer II is composed of income from operations, excess of acquisition price over acquired interest and treasury shares; and
- Layer III is composed mainly of income from fair value changes of investment properties and unrealized valuation gain on club shares for sale.

25. Fair Value Measurements

The following table provides the fair value hierarchy of assets and liabilities measured at fair value:

		(In Thousands)				
		December 31, 2021				
				Fair value measurement using		
	Note	Carrying Amount	Fair Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Measured at Fair Value						
Financial Assets -						
Club shares for sale	10	₱31,010,900	₱31,010,900	₱–	₱31,010,900	₱–
Nonfinancial Assets -						
Investment properties	11	60,053,684	60,053,684	–	–	60,053,684
Serviced residences	12	8,650,073	8,650,073	–	–	8,650,073
Aircrafts	12	1,010,915	1,010,915	–	–	1,010,915
Fair Values are Disclosed						
Financial Assets at Amortized Cost-						
Noncurrent trade receivables		₱8,956	₱7,292	₱–	₱–	₱7,292
Financial Liabilities -						
Customers' deposits		261,038	212,538	–	–	212,538

		(In Thousands)				
		December 31, 2020				
				Fair value measurement using		
	Note	Carrying Amount	Fair Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Measured at Fair Value						
Financial Assets -						
Club shares for sale	10	₱31,511,900	₱31,511,900	₱–	₱31,511,900	₱–
Nonfinancial Asset -						
Investment properties	11	58,776,917	58,776,917	–	–	58,776,917
Serviced residences	12	8,710,572	8,710,572	–	–	8,710,572
Aircrafts	12	993,914	993,914	–	–	993,914
Fair Values are Disclosed						
Financial Assets at Amortized Cost -						
Noncurrent trade receivables	13	11,099	9,808	–	–	9,808
Financial Liabilities -						
Customers' deposits	18	228,499	201,930	–	–	201,930

The following methods and assumptions were used to determine the fair value of each class of financial instrument for which it is practicable to estimate such value.

Financial Assets (Excluding Club Shares for Sale, Noncurrent Trade Receivables and Customers' Deposits). Due to the short-term nature of these financial assets, the fair values approximate the carrying amount as at reporting date.

Club Shares for Sale. The fair values of club shares for sale were determined based on the current cash selling price to third parties.

Investment Properties. The fair values of the investment properties were based on valuations performed by accredited independent appraisers, as discussed in Note 11.

Serviced Residences. The fair values of the serviced residences were based on valuations performed by accredited independent appraisers, as discussed in Note 12.

Aircrafts. As at December 31, 2021 and 2020, the management has assessed that the carrying amount of the acquired aircrafts approximates its fair value. The fair value of the aircrafts as at December 31, 2018 was based on valuation performed by accredited independent appraisers, as discussed in Note 12.

Noncurrent Trade Receivables and Customers' Deposits. The fair values of noncurrent trade receivables and customers' deposits were determined by discounting the principal amounts using risk-free interest rates.

26. Commitments and Contingencies

Commitments

The Group entered into various construction contracts for the development of its projects (see Note 8). Total advances to contractors amounted to ₱504.2 million and ₱413.2 million as at December 31, 2021 and 2020, respectively (see Notes 8 and 13).

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

Subsidiary	(In Thousands) 2021	2020	Nature
ABMLHI	**₱302,588**	₱207,776	Supply of labor, materials, equipment and all related construction works for Alphaland Baguio Mountain Lodges Project
AMPI	**82,403**	94,417	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 ₱270.5 million and ₱384.0 million as at December 31, 2021 and 2020, respectively (see Note 14). 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

Outstanding Legal Cases

The dispute between the Group and with the WG (see Note 16), resulted to legal cases. However, the agreement signed by the major shareholders of ALPHA, as discussed in Note 16, includes the transfer of the Group's interest in ABCC, AMC and AMCI including the assumption by BDC of the responsibility of handling all litigation and/or settling all disputes with the WG.

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.

Deficiency Tax Assessments

Alphaland Southgate Tower, Inc. On June 20, 2016, ASTI received deficiency VAT assessment for the taxable year 2014 and submitted a petition to dispute the claims. As at December 31, 2021, ASTI's appeal is pending before the Court of Tax Appeals (CTA) En Banc.

On October 7, 2021, ASTI received additional deficiency tax assessments mainly on excess retained earnings for taxable year 2014 and submitted a petition to dispute the claims. As at December 31, 2021, ASTI's appeal is pending before the Third Division of the CTA.

Alphaland Makati Place, Inc. On June 20, 2016, AMPI received deficiency VAT assessments. On January 15, 2020, the CTA issued a decision cancelling and setting aside the assessments. As at December 31, 2021, the Commissioner of Internal Revenue's appeal is pending before the CTA En Banc.

Alphaland Balesin Island Resort Corporation. On February 18, 2021, ABIRC received deficiency tax assessments mainly on income tax and VAT covering the taxable year 2015 and submitted a petition to dispute the claims. As at December 31, 2021, ABIRC's appeal is pending before the Third Division of the CTA.

In the opinion of the Group's management and in consultation with its legal counsel, the ultimate disposition of these cases, disputes and assessments will not have a material adverse impact on the financial position or results of operations of the Group.

27. Note to Consolidated Statements of Cash Flows

The Group's noncash activities are presented below:

		(In Thousands)		
	Note	**2021**	2020	2019
Forfeited sales:				
Land and development costs	7	**₱18,013**	₱75,921	₱–
Parking lots for sale	7	–	4,815	–
Club shares for sale	10	–	4,288	–
Recognition of:	18			
ROU assets		**19,285**	–	19,482
Lease liabilities		**19,285**	–	19,482
Transfers from investment properties to:	11			
Land and development costs	7	**350,800**	–	–
Property and equipment	12	**762**	–	–
Appraisal increase for serviced residences	11	**107,409**	–	–
Sale of aircraft in exchange of shares				
Property and equipment	12	–	514,443	–
Treasury shares	16	–	523,069	–
Cancelled sale -				
Land and development costs	7	–	82,494	–
Transfers from land and development costs to:	7			
Property and equipment	12	**18,013**	75,921	–
Land-for-share swap:				
Club shares for sale	10	–	–	100,000
Investment properties	11	–	–	100,000

The reconciliation of the Group's liabilities arising from financing activities is presented below:

	(In Thousands)			
	2020	**Cash Flows**	**Noncash Flows**	**2021**
Advances from related companies	**₱2,342,111**	**₱187,638**	**₱–**	**₱2,529,749**
Other noncurrent liabilities	**183,221**	**204,010**	**1,060**	**388,291**
	₱2,540,451	**₱391,648**	**₱1,311**	**₱2,933,159**

	(In Thousands)			
	2019	Cash Flows	Noncash Flows	2020
Advances from related companies	₱2,549,218	(₱207,107)	₱–	₱2,342,111
Other noncurrent liabilities	49,743	132,469	1,009	183,221
	₱2,614,080	(₱74,638)	₱1,584	₱2,540,451