8990 HOLDINGS, INC.

By:

MARIANO D. MARTINEZ, JR.
Chairman

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

Before me, a notary public for and in the city named above, personally appeared Mariano D. Martinez, Jr. with Passport No. EC7800326 issued on 26 May 2016 at PCG Vancouver, who was identified by me through competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this _________ day of NOV 0 9 2017 at Makati City.

Doc No. 18;
Page No. 5;
Book No. II;
Series of 2017.

KEITH ELBERT C. KING
Appointment No. M-244
Notary Public for Makati City
Until December 31, 2018
Penthouse, Liberty Center
104 H.V. Dela Costa Street, Makati City
Roll No. 66583
PTR No. 5913738/ Makati City/ 01-04-2017
IBP No. LRN-015100/ Quezon City

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

8990 Holdings, Inc.

(incorporated in the Republic of the Philippines)

Shelf Registration in the Philippines of
100,000,000 Preferred Shares

(Non-voting, Non-Convertible, Non-Participating,
Redeemable and Perpetual Preferred Shares)
to be offered within a period of three (3) years

with an initial tranche of

50,000,000 Preferred Shares
with a dividend rate of 6.0263% per annum
at an Offer Price of ₱100.00 per Preferred Share

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

Issue Manager, Lead Underwriter and Bookrunner for the initial tranche

CHINABANK CAPITAL
A subsidiary of CHINABANK [1]

Selling Agents
The Trading Participants of The Philippine Stock Exchange, Inc.

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

The date of this Prospectus is November 9, 2017

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[1] *China Bank Capital Corporation is a subsidiary of China Banking Corporation, which is among the lenders of the loans that will be repaid with the proceeds of this Offer.*

8990 Holdings, Inc.
11th Floor, Liberty Center,
104 H.V. dela Costa Street,
Salcedo Village, Makati City, Metro Manila
Philippines
Telephone Number: +63-2-478-96-59
Fax Number: +63-2-478-96-59
Corporate Website: www.8990holdings.com

This Prospectus relates to the shelf registration and continuous offer by way of sale in the Philippines (the "Offer") of up to 100,000,000 non-voting, non-convertible, non-participating, redeemable, perpetual Preferred Shares (the "Preferred Shares") by 8990 Holdings, Inc. ("8990", the "Company", or the "Issuer"), a corporation duly organized and existing under Philippine law. Each tranche of the Preferred Shares will be registered with the Securities and Exchange Commission (the "SEC") and will be listed on The Philippine Stock Exchange, Inc. ("PSE"), subject to the respective approvals by the SEC and the PSE that will be secured for each tranche.

The Preferred Shares are being offered for subscription solely in the Philippines.

On November 7, 2016 and July 7, 2017, the Board of Directors of the Company (the "Board of Directors") unanimously authorized the sale and offer of up to Ten Billion Pesos (₱10,000,000,000.00) of Preferred Shares, at an offer price of ₱100.00 per share, or 100,000,000 Preferred Shares with an initial tranche of 50,000,000 Preferred Shares, under a shelf registration to be issued within a period of three (3) years from the date of effectivity of the Registration Statement. On January 31, 2017, the stockholders approved and ratified the creation of the Preferred Shares under the shelf registration and delegated to the Board of Directors the authority to determine the terms and conditions of the issuance of any tranche thereof as the management of the Company may deem advantageous to it, through the approval of the relevant enabling resolutions (the "Enabling Resolutions"). The SEC approved the Company's amended articles of incorporation creating the Preferred Shares on April 19, 2017.

On September 21, 2017, the Board of Directors unanimously approved the Enabling Resolutions outlining the specific terms and conditions of the Offer Shares. On November 9, 2017, the Board of Directors confirmed the Dividend Rate for the Offer Shares. The Enabling Resolutions covering the Offer Shares were approved by the SEC on October 20, 2017.

The Preferred Shares shall be issued in tranches within a period of three (3) years (the "Shelf Period"), at an offer price of ₱100.00 per share. The Preferred Shares will be issued from the unissued capital stock of the Company. The specific terms of the initial tranche of the Preferred Shares are included in this Prospectus. The initial tranche of the Preferred Shares will consist of 50,000,000 Preferred Shares which will be denominated as "Series A Preferred Shares" (this offer, the "Initial Offer" and the Preferred Shares subject of the Initial Offer, the "Offer Shares"). The Offer Shares, which have a par value of ₱1.00 per share, will be offered at an offer price of ₱100.00 per share, with an issue size of ₱5 billion. The remaining balance of 50,000,000 Preferred Shares will be issued in tranches within the Shelf Period. The specific terms of the subsequent tranches of the Preferred Shares shall be determined by the Company taking into account prevailing market conditions and shall be set forth in an offer supplement to be issued at the time of the relevant offering. A separate Permit to Sell will be secured from the SEC for each subsequent tranche.

As of the date of this Prospectus, the Company has 5,517,990,720 outstanding common shares. After the Offer, the Company will have 5,517,990,720 outstanding common shares and 50,000,000 outstanding Series A Preferred Shares.

The Company expects to raise gross proceeds amounting to ₱5,000,000,000.00 and the net proceeds are estimated to be at least ₱4,947,588,375.00 after deducting fees, commissions and expenses relating to the issuance of the Offer Shares. The net proceeds of the Initial Offer shall be used primarily by the Company to refinance existing debt obligations of the Company and subsidiary, 8990 Housing Development Corporation ("8990 Housing"). For a more detailed discussion on the use of proceeds, see "Use of Proceeds" of the Prospectus. The use of proceeds for each subsequent tranche of the Offer will be set out in the relevant Offer Supplement.

China Bank Capital Corporation, (the "Underwriter"or "CB Capital") has agreed to distribute and sell the Offer Shares at the Offer Price, pursuant to an Underwriting Agreement with the Company dated November 9, 2017. CB Capital is a subsidiary of China Banking Corporation, which is among the lenders of the loans that will be repaid with the proceeds of this Offer.

The underwriting and selling fees to be paid by the Company in relation to this Initial Offer shall be equivalent to 0.7895% of the gross proceeds of the Initial Offer. This shall be inclusive of fees to be paid to the Underwriter and

inclusive of commissions to be paid to the Trading Participants of the PSE (the "Trading Participant" or "Selling Agent"). Please see "*Plan of Distribution*" of this Prospectus.

The Company filed an application with the SEC to register the Preferred Shares under the provisions of the Securities Regulation Code (Republic Act No. 8799) ("SRC") and its implementing regulations (the "SRC Rules"). Subsequently, the SEC issued an order rendering the Registration Statement filed by the Company effective and a corresponding permit to offer securities for sale covering the Initial Offer.

The PSE approved the Company's application for the listing of the Offer Shares on the Main Board of the PSE on November 8, 2017. An approval for listing is permissive only and does not constitute a recommendation or endorsement by the PSE or the SEC of the Series A Preferred Shares. The PSE assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Furthermore, the PSE makes no representation as to the completeness and expressly disclaims any liability whatsoever for any loss arising from, or in reliance upon, the whole or any part of the contents of this Prospectus.

Upon listing with the PSE, the Offer Shares will be traded under the symbol "8990P".

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

Dividends may be declared at the discretion of the Board of Directors and will depend upon the future results of operations and general financial condition and capital requirements of the Company; its ability to receive dividends and other distributions and payments from its subsidiaries, foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations (both at the parent and subsidiary levels) and other factors the Board of Directors may deem relevant. While there is no assurance that the Company will declare dividends on the Preferred Shares in the future, the Company has consistently paid quarterly cash dividends to its common shareholders, details of which are found on page 106. The Company's current dividend policy provides that subject to available cash and existence of unrestricted retained earnings, at least 50% of the net income of 8990 for the preceding fiscal year will be declared as dividends. The Company intends to maintain a consistent dividend payout policy based on its consolidated net income for the preceding fiscal year, subject to the requirements of the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends.

The date of declaration of cash dividends on the Preferred Shares will be subject to the discretion of the Board of Directors to the extent permitted by law. The declaration and payment of dividends (except stock dividends) do not require any further approval from the shareholders of the Company.

As and if cash dividends are declared by the Board of Directors in accordance with the Enabling Resolutions and as set out in this Prospectus, cash dividends on the Series A Preferred Shares shall be at the fixed rate of 6.0263% per annum, calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period (the "Dividend Rate"). The rate of cash dividend for the subsequent tranches of the Preferred Shares shall be determined and set out in the Offer Supplement for such tranche.

Subject to limitations on the payment of cash dividends as described in the section on the "Summary of the Offer", dividends on the Preferred Shares will be payable once for every Dividend Period on such date set by the Board of Directors at the time of declaration of such dividends (each a "Dividend Payment Date"), which date shall be any day within the period commencing on (and including) the last date of a Dividend Period and 15 calendar days from the end of the relevant Dividend Period. A "Dividend Period" shall be the period commencing on the relevant Issue Date, as defined in the section on "Summary of the Offer", and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding the first day of, the immediately succeeding Dividend Period; provided that the first Dividend Period of the Preferred Shares shall be the period commencing on the relevant Issue Date and ending on the last day of the then current dividend period for the outstanding Preferred Shares. If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment as to the amount of dividends to be paid.

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

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

For the purpose of the first dividend payment of subsequent tranches of the Preferred Shares, the same will be paid on such date as to synchronize with the payment of dividends for the outstanding Preferred Shares.

The Board of Directors will not declare and pay cash dividends on any Dividend Payment Date where (a) payment of the cash dividend would cause the Company to breach any of its financial covenants or (b) the profits available to the Company to distribute as cash dividends are not sufficient to enable the Company to pay in full both the cash dividends on the Preferred Shares and the dividends on all other classes of the shares of the Company that are scheduled to be paid on or before the same date as the cash dividends on the Preferred Shares and that have an equal right to dividends as the Preferred Shares.

Upon listing of the Offer Shares on the PSE, the Company may purchase the Offer Shares which are then currently tradeable at any time in the open market or by public tender or by private contract at any price through the PSE without any obligation to purchase or redeem the other outstanding preferred shares of the Company.

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

The distribution of this Prospectus and the offer and sale of the Preferred Shares may, in certain jurisdictions, be restricted by law. The Company and the Underwriters require persons into whose possession this Prospectus comes, to inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. This Prospectus does not constitute an offer of any securities, or any offer to sell, or a solicitation of any offer to buy any securities of the Company in any jurisdiction, to or from any person whom it is unlawful to make such offer in such jurisdiction.

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

The Company and the Underwriter confirm that they have exercised the required due diligence in ascertaining that all material information in this Prospectus, including its amendments and supplements, if any, is true and correct, and that no material information was omitted, which was necessary in order to make the statements contained herein not misleading. The Company, its directors and officers, and the Underwriter accept responsibility for the information contained in the listing application and all documents submitted to the PSE, including this Prospectus.

Unless otherwise indicated, all information in the Prospectus is as of the date hereof. Neither the delivery of this Prospectus nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company and its subsidiaries since such date. Market data and certain industry forecasts used throughout this Prospectus were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, the Company does not make any representation, undertaking or other assurance as to the accuracy or completeness of such information or that any projections will be achieved, or in relation to any other matter, information, opinion or statements in relation to the Offer. Any reliance placed on any projections or forecasts is a matter of commercial judgment. Certain agreements are referred to in this Prospectus in summary form. Any such summary does not purport to be a complete or accurate description of the agreement and prospective investors are expected to independently review such agreements in full.

This Prospectus is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by either the Issuer, the Underwriters or their respective affiliates or legal advisers that any recipient of this Prospectus should purchase the Preferred Shares. Each person contemplating an investment in the Preferred Shares should make his own investigation and analysis of the creditworthiness of the Company and his own determination of the suitability of any such investment. The risk disclosure herein does not purport to disclose all the risks and other significant aspects of investing in the Preferred Shares. A person contemplating an investment in the Preferred Shares should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially those high-risk securities. Investing in the Preferred Shares involves a higher degree of risk compared to debt instruments. For a discussion of certain factors to be considered in respect of an investment in the Preferred Shares, see the section on "Risks Factors" starting on page 29.

The Company, through its subsidiaries (most of which are wholly-owned), owns land as identified in the section on Description of Property on page 82. Under the Philippine Constitution and Philippine statutes, such activities are reserved for Philippine Nationals. Considering the foregoing, for as long as the Company or any of its subsidiaries own land in the Philippines, or continue to conduct property development in the Philippines, foreign ownership in the Company shall be limited to a maximum of: (i) 40% of the capital stock of the Company which is outstanding and entitled to vote; and (ii) 40% of the total outstanding capital stock of the Company, whether or not entitled to vote.

Accordingly, the Company shall disallow the issuance or the transfer of Preferred Shares to persons other than Philippine Nationals and shall not record transfers in its books if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign ownership discussed above. Philippine National, as defined under the Foreign Investment Act, means a citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and the entitlement to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and the entitlement to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals.

8990 is organized under the laws of the Philippines with principal office address at the 11th Floor, Liberty Center, 104 H.V. dela Costa Street, Salcedo Village, Makati City, Philippines with telephone number: (+632) 478 9659. The common shares of the Company have been listed on the PSE since 2010 under ticker symbol "HOUSE." Its corporate website is http://www.8990holdings.com. The information in the website is not incorporated by reference into this Prospectus.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CURRENT.

8990 HOLDINGS, INC.

By:

MARIANO D. MARTINEZ, JR.
Chairman of the Board

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

Before me, a notary public for and in the city named above, personally appeared Mariano D. Martinez, Jr., with Passport No. ____________ issued on __________ at _____________, who was identified by me through competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this 9th day of November 2017 at Makati City.

Doc No. ___;
Page No. ___;
Book No. ___;
Series of 2017.

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FORWARD-LOOKING STATEMENTS

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

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

Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies, the environment in which the Company will operate in the future and current expectations and projections about future events and financial trends affecting its business. Words or phrases such as "believes," "expects," "anticipates," "intends," "plans," "foresees" or other words or phrases of similar import are intended to identify forward-looking statements. Similarly, statements that describe 8990's objectives, plans or goals are also forward-looking statements. In light of these risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur. Actual results could differ materially from those contemplated in the relevant forward-looking statements. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- the Company's ability to successfully manage its in-house financing activities;
- the Company's ability to successfully implement its current and future strategies;
- the Company's ability to successfully manage aggressive growth;
- changes in the Philippine housing market and the demand for the Company's housing and land developments;
- the Company's ability to maintain its reputation for on-time project completion;
- any future political instability in the Philippines;
- the condition of and changes in the Philippine, Asian or global economies;
- changes in interest rates, inflation rates and the value of the Peso against the U.S. dollar and other currencies;
- changes to the laws, including tax laws, regulations, policies and licenses applicable to or affecting the Company; and
- competition in the Philippine housing industry.

Additional factors that could cause the Company's actual results, performance or achievements to differ materially from forward-looking statements include, but are not limited to, those disclosed under "Risk Factors" and elsewhere in this Prospectus. These forward-looking statements speak only as of the date of this Prospectus. The Company and the Underwriter expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based. The Company does not intend to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise, unless material within the purview of the SRC and other applicable laws, the mandate of which is to enforce investor protection. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Investors should not place undue reliance on any forward-looking information. All subsequent written and oral forward-looking statements attributable to either the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by cautionary statements.

The Underwriters do not take any responsibility for, or give any representation, warranty or undertaking in relation to, any such forward-looking statement.

GLOSSARY OF TERMS

In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set forth below.

8990 Davao	8990 Davao Housing Development Corporation
8990 Housing	8990 Housing Development Corporation
8990 Leisure	8990 Leisure and Resorts Corporation
8990 Luzon	8990 Luzon Housing Development Corporation
8990 Mindanao	8990 Mindanao Housing Development Corporation
8990 Majority Shareholders	collectively IHoldings, Inc.; Januarius Holdings, Inc.; Kwantlen Development Corporation; Luis. N. Yu, Jr.; Mariano D. Martinez, Jr.; and Januario Jesus Gregorio III B. Atencio
8990 Related Companies	companies that are outside of the Company and owned by any of the 8990 Majority Shareholders
Application to Purchase	the documents to be executed and/or submitted by any Person or entity qualified to become a Shareholder offering to purchase the Preferred Shares
Banking Day	a day on which commercial banks are open for business in Makati City, Metro Manila
Beneficial Owner	any person (and "Beneficial Ownership" shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of, such security; provided, however, that a person shall be deemed to have an indirect beneficial ownership interest in any security which is held by: i. members of his immediate family sharing the same household; ii. a partnership in which he is a general partner; iii. a corporation of which he is a controlling shareholder; or iv. subject to any contract, arrangement or understanding, which gives him voting power investment or power with respect to such securities; provided, however, that the following persons or institutions shall not be deemed to be beneficial owners of securities held by them for the benefit of third parties or in customer or fiduciary accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the issuer: a. A broker dealer; b. An investment house registered under the Investment Houses Law; c. A bank authorized to operate as such by the BSP; d. An insurance company subject to the supervision of the Office of the Insurance Commission; e. An investment company registered under the Investment Company Act; f. A pension plan subject to regulation and supervision by the Bureau of Internal Revenue and/or the Securities and Exchange Commission or relevant authority; and g. A group in which all of the members are persons specified above
BIR	Bureau of Internal Revenue
Board of Directors or Board	the Board of Directors of the Company

BOI	Board of Investments
B.P. 220	Batas Pambansa Blg. 220, a Philippine statute regulating the standards and technical requirements for economic and socialized housing projects in urban and rural areas
BSP	*Bangko Sentral ng Pilipinas*, the central bank of the Philippines
Common Shares	common shares of the Company with a par value of ₱1.00 per share
Company, Issuer, 8990	8990 Holdings, Inc.
Congress	The Congress of the Philippines, which comprises the House of Representatives and the Senate
Constitution	The 1987 Philippine Constitution
Corporate Reorganization	a series of transactions between the 8990 Majority Shareholders and the Company whereby, among other things, the 8990 Majority Shareholders acquired an 88.2% ownership interest in the Company, the Company increased its authorized capital stock, changed its primary purpose and principal place of business, and the Subsidiaries were reorganized under the Company; see "Business – History and Corporate Reorganization – Corporate Reorganization"
CRC	Center for Research and Communication of the University of Asia and the Pacific, a private academic institution that conducts economic and social research
Corporation Code	Batas Pambansa Blg. 68, otherwise known as "The Corporation Code of the Philippines."
CTS	contract to sell, a contract generally entered into by the Company and its customers for the sale and purchase of a Mass Housing unit, the ownership of which remains with the Company until the full purchase price is paid by the customer
CTS Gold	general term used to refer to the Company's in-house financing products
CTS Gold Convertible	one of the Company's in-house financing products, which carries a rate of 8.5% per annum (fixed for the first four years) and is intended for Pag-IBIG take-up
Dividend Payment Date	For the Initial Offer, March 1 for the first Dividend Payment Date and March 1, June 1, September 1, and December 1 of each year, for as long as the Offer Shares remain outstanding. The Dividend Payment Date for the subsequent tranches of the Preferred Shares shall be determined by the Company and shall be set forth in an offer supplement to be issued at the time of the relevant offering.
Economic Housing	housing and land units priced from ₱450,001 to ₱1,700,000, as categorized by the HUDCC
Euson	Euson Realty and Development Corporation
Fog Horn	Fog Horn, Inc.
Government	the national government of the Republic of the Philippines
Gross Income Margin	the Company's gross income divided by sales as described in the Consolidated Financial Statements included in this Prospectus
GSIS	Government Service Insurance System
HLURB	Housing and Land Use Regulatory Board

House of Representatives	the House of Representatives of the Philippines, one of the two branches of the Congress
HUDCC	Housing and Urban Development Coordinating Council
IEI	IPVG Employees, Inc.
IHoldings	IHoldings, Inc.
Issue Date	December 1, 2017 or such date on which the Preferred Shares shall be issued by 8990 to the Shareholders
IPCDSI	IP Converge Data Services, Inc.
IPP	Investment Priorities Plan
IPVI	IP Ventures, Inc.
IRO	Investor Relations Officer
IRRs	Implementing Rules and Regulations of the SRC, as amended
Januarius	Januarius Holdings, Inc.
Kwantlen	Kwantlen Development Corporation
Low-cost Housing	housing and land units priced from ₱1,250,001 to ₱3,000,000, as categorized by the SHDA and HUDCC
Maceda Law	Republic Act No. 6552, or An Act to Provide Protection to Buyers of Real Estate on Installment Payments
Mass Housing	housing units and land priced up to ₱3,000,000; this term comprises the Socialized Housing, Economic Housing and Low-cost Housing categories as defined by the SHDA and HUDCC
MPO	minimum public ownership
MRB	medium-rise building, a walk-up building generally four to five stories or an elevator-equipped building of eight to 12 stories
Net Income Margin	the Company's net income divided by sales as described in the consolidated financial statements included in this Prospectus
Offer	the offer for sale, distribution, and issuance of Preferred Shares by the Company under the conditions as herein contained
Offer Period	the period when the Offer Shares are offered for sale, distribution, and issuance by the Issuer to the public commencing at November 17 and ending at November 23, or such other dates as may be determined by the Issuer and the Underwriters
OFs	OFWs and Filipino expatriates
OFWs	Overseas Filipino workers
Pag-IBIG or HDMF	the Home Development Mutual Fund, also known as the Pag-IBIG Fund, the primary government housing financial assistance program in the Philippines, with a statutory mandate to provide Government assistance for the housing requirements of its members and allot not less than 70% of its available funding for deployment of housing loans to its qualified buyers

PCD Nominee	PCD Nominee Corporation, a corporation wholly owned by the PDTC
PDTC	the Philippine Depositary & Trust Corporation
PDTC Rules	SEC-approved rules of the PDTC, including the PDTC Operating Procedures and PDTC Operating Manual, as may be amended, supplemented, or modified from time to time
Person	Individuals, juridical persons such as corporation, partnership, joint venture, unincorporated association, trust or other juridical entities, or any governmental authority
Pesos, Philippine Pesos, Php, ₱ and Philippine currency	the legal currency of the Republic of the Philippines
PFRS	Philippine Financial Reporting Standards
Philippine National	As defined under the Foreign Investments Act of 1991, means a citizen of the Philippines, or a domestic partnership or association wholly owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and the entitlement to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and the entitlement to vote is wholly owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals. Pursuant to Philippine SEC Memorandum Circular No. 8, Series of 2013, which generally applies to all corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the Philippine Constitution, the Foreign Investments Act of 1991 and other existing laws, amendments thereto, and implementing rules and regulations of the said laws, for purposes of determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both: (i) the total number of outstanding shares of stock entitled to vote in the election of directors; and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.
Preferred Shares	A total of up to 100,000,000 non-voting, non-convertible, non-participating, redeemable, perpetual Preferred Shares.
PSE	The Philippine Stock Exchange, Inc.
REM	real estate mortgage
SEC	Philippine Securities and Exchange Commission
SEC Permit to Sell	Permit to Sell Securities issued by the SEC in connection with the Offer
Shareholder	Shareholders of the outstanding Preferred Shares.
SHDA	Subdivision and Housing Developers Association, the largest industry organization of subdivision and housing developers in the Philippines with over 200 members
Socialized Housing	housing and land units priced up to ₱450,000.00 as categorized by the SHDA and HUDCC

SRC	Republic Act No. 8799, also known as the Securities Regulation Code of the Philippines, and any of its amendments
SSS	the Republic of the Philippines Social Security System
Stock Transfer Agent	Stock Transfer Services, Inc., a duly authorized stock and transfer agent organized and existing under the laws of the Philippines
Subsidiary/ies	with respect to the Company, 8990 Davao, 8990 Housing, 8990 Leisure, 8990 Luzon, 8990 Mindanao and Fog Horn
Tax Code	Philippine National Internal Revenue Code of 1997, as amended
Taxes	any present or future taxes, including, but not limited to, documentary stamp tax, levies, imposts, filing and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof, including surcharges, penalties and interests on said taxes, but excluding final withholding tax, gross receipts tax, taxes on the overall income of the underwriters or of the Shareholders (which for the avoidance of doubt includes any creditable withholding tax), value added tax, and taxes on any gains realized from the sale of the Preferred Shares
Tax Exempt/Treaty Documents	collectively, (i) a BIR-certified true copy (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) of the current and valid tax exemption certificate, ruling or opinion issued by the BIR or a Certificate of Residence for Tax Treaty Relief ("CORTT Form"), as applicable, confirming the exemption or preferential rate; (ii) a duly notarized undertaking, in the prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative of such Applicant or Shareholder, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases, or the Shareholder holds, the Preferred Shares for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Preferred Shares pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer and the Paying Agent of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; and (iii) such other documentary requirements as may be reasonably required by the Issuer and/or the Paying Agent or under the applicable regulations of the relevant taxing or other authorities;
Tondo Holdings	Tondo Holdings, Inc.
Underwriters	China Bank Capital Corporation for the initial tranche of the Offer. For subsequent tranches of the Offer, the underwriter/s that may be engaged by the Company for each subsequent tranche of the Offer and as set out in the relevant Offer Supplement.
Underwriting Agreement	For the initial tranche of the Offer, means the underwriting agreement between 8990 Holdings, Inc. and China Bank Capital Corporation dated November 9, 2017. For subsequent tranches of the Offer, means the underwriting agreement that may be entered into by the Issuer and the underwriter/s for each subsequent tranche of the Offer as set out in the relevant Offer Supplement, as may be amended or supplemented from time to time

Titles of sections, subsections and clauses in this Prospectus are used for convenience of reference only and do not limit or affect the interpretation of the sections and subsections hereof. In case of conflict between the provisions of this Prospectus and the Offer Supplement for subsequent tranches of the Offer, the provisions of the Offer Supplement for such tranche shall prevail.

SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information presented in this Prospectus, including the Company's audited consolidated financial statements for the years ended 2016, 2015, and 2014, and the unaudited interim consolidated financial statements for the period ended 30 June 2017, and related notes included elsewhere in this Prospectus. Prospective investors should read this entire Prospectus fully and carefully, including the section on "Risk Factors". In case of any inconsistency between this summary and the more detailed information in this Prospectus, then the more detailed portions, as the case may be, shall at all times prevail. Capitalized terms not defined in this summary are defined in the "Glossary of Terms," "Risk Factors," "Business" or elsewhere in this Prospectus.

Overview

The Company is the top property developer in the Philippines for 2015, in terms of take-out value from the Home Development Mutual Fund ("HDMF"). The Company has been developing Mass Housing Projects in high-growth areas across the Visayas, Mindanao and Luzon since 2003. In doing so, the Company has benefited significantly from the industry experience of its principals who, prior to the establishment of the Company's Subsidiaries and through certain 8990 Related Companies, developed their first Mass Housing project in 1991 in Cagayan de Oro. The Company has built a reputation of providing quality and affordable homes to consumers in the fast-growing Philippine Mass Housing market. The Company's DECA Homes, Urban DECA Homes, and Urban DECA Towers brands have also gained a strong reputation in the market, resulting in the Company garnering numerous awards such as Best Low Cost Housing Developer (National) awarded last March 2017 by Q Asia's Seal of Product and Quality Service, Top 10 Developers in the Philippines in 2015 & 2016 by BCI Asia, 2016 Outstanding Developer Low Rise Mass Housing by FIABCI-Philippines, 2015 Best Mid-Cap Firm in the Philippines by Finance Asia, and 2015 Prestigious Seal Awardee for Best Developer in Low-Cost Housing by Gawad Sulo Foundation. As of June 30, 2017, the Company has completed at least 52 Mass Housing projects and is developing another 14 Mass Housing, MRB and high-rise projects. Across these completed and ongoing projects, the Company has, since 2003, sold more than 50,000 units, with approximately 31,000 additional units available for development and sale from ongoing projects. The Company also has an identified pipeline of 8 projects scheduled to commence in 2017 and which in total are expected to provide approximately 47,000 units available for sale.

The Company believes that its industry experience has equipped it with the ability to understand the needs, preferences, means and circumstances of consumers in the Philippine Mass Housing market. The Company offers an affordable pricing and payment model, and has developed its CTS Gold in-house financing program to cater to Mass Housing market Filipino consumers who do not have the accumulated savings to pay high down payments for homes but have sufficient recurring income to support monthly amortization payments. Under this program, customers only pay a minimal down payment and can quickly move into their chosen homes. The Company retains ownership of such homes until full payment is made by the customer. The CTS Gold program is further strengthened by the Company's strong relationship with Pag-IBIG, the primary Government agency providing housing financial assistance to Filipinos through the long-established Pag-IBIG housing loan program. The Company has structured the CTS Gold program such that the requirements for such product generally mirror the requirements for availing of a Pag-IBIG home loan. This essentially facilitates the take-up by Pag-IBIG of such loans upon application for by customers, converting receivables of the Company into cash and lessening the financing and other risks appurtenant to potential buyer defaults.

Consistent with the Company's thrust of providing quality and affordable housing units to its customers, the Company also introduced a pre-cast construction process which enables it to construct and complete residences ready for move-in much faster than under the conventional concrete cinder block method. Through this process, the Company is able to construct townhouses and single-storey attached units in just eight to 10 days, with an additional five days for single-storey houses with lofts. The use of this process also allows the Company to realize significant cost savings and enables it to turn over units to its customers in a fast and efficient way.

In addition to horizontal Mass Housing subdivision projects, the Company also develops MRB condominium projects. The Company's first MRB Mass Housing project started in Cebu in 2012. Similar MRB projects in Metro Manila started in 2015. The Company plans to develop other MRB projects in other urban areas.

The Company has ventured into high-rise condominium projects in the highest density urban areas of Metro Manila. The buildings are intended be situated in dense urban neighborhoods with easy access to major transportation routes/facilities and within easy distance of major white-collar employment centers (i.e., central business districts). Making use of the "Micro Living" concept, Urban DECA Towers is envisioned to provide weekday accommodation for low- to mid-income commuters who typically have a two- to four-hour daily commute between their places of work and homes in the outlying neighborhoods of Metro Manila, resulting in savings in transportation time and costs that would accrue to the condominium unit residents.

In 2014, 2015, and 2016, the Company recorded consolidated revenues amounting to ₱7,657.3 million, ₱9,279.7 million, and ₱9,271.3 million, respectively, with resulting net income of ₱3,307.0 million, ₱3,722.5 million, and ₱3,575.0 million, respectively. For the six months ended June 30, 2016 and 2017, the Company recorded consolidated revenues amounting to ₱4,735.3 million and ₱3,041.5 million, respectively.

Competitive Strengths

The Company considers the following to be its principal competitive strengths:

- Favorable market and industry demographics of the Mass Housing Sector.
- Leading Mass Housing developer with established track record and brands for the underserved Mass Housing segment.
- Customer-focused product and payment scheme best suited for the Mass Housing market, coupled with effective collection and risk management policies.
- Market innovations with respect to construction processes, which translates into efficiencies and cost-savings.
- Strong relationships with key housing and shelter agencies.
- Experienced management team with extensive expertise in Mass Housing development.

Key Strategies

The Company's overall business strategy, and the key to its current and past success in the Mass Housing industry, is to deliver with speed and quality the right products (a DECA Homes house or Urban DECA Homes MRB unit) to its target customers, mainly comprising low to middle income earners able to afford a monthly amortization payment of approximately ₱2,800 (the estimated amortization for a ₱450,000 loan for a Socialized Housing unit with 6% annual interest rate for the first year and a 25-year amortization schedule) to ₱16,662 (the estimated amortization for a ₱1,700,000 loan with 11.0% annual interest rate and a 25-year amortization schedule) under the Company's in-house financing program, at the right price range (the estimated amortization for a ₱450,000 to ₱1.7 million per housing/condominium unit).

To further build on its competitive strengths and allow further expansion of its business, the Company is looking to undertake the following:

- Increase existing coverage and expand geographically.
- Continue to support Mass Housing home ownership via innovative financing products.
- Continue to replenish land bank for development.
- Continue to diversify into new product types.
- Attain increased efficiencies in all facets of its operations and processes.

Corporate Information

The Company is a Philippine corporation with its registered office and principal executive offices located at 11th Floor, Liberty Center, 104 H.V. dela Costa Street, Salcedo Village, Makati City, Metro Manila. The Company's telephone number is (+632) 478 9659 and its fax numbers are (+632) 478 9659 and (+632) 478 8987. Its corporate website is www.8990holdings.com. The information on the Company's website is not incorporated by reference into, and does not constitute part of, this Prospectus.

Investor Relations Office and Compliance Office

The Investor Relations Office is tasked with (a) the creation and implementation of an investor relations program that reaches out to all shareholders and informs them of corporate activities and (b) the formulation of a clear policy for accurately, effectively and sufficiently communicating and relating relevant information to the Company's stakeholders as well as to the broader investor community.

Ms. Patricia Victoria G. Ilagan, the Company's Investor Relations Officer ("IRO"), serves as the Company's designated investor relations manager and heads the Company's Investor Relations Office. The IRO is responsible for ensuring that Company's shareholders have timely and uniform access to official announcements, disclosures and market-sensitive information relating to the Company. As the Company's officially designated spokesperson, the IRO is responsible for receiving and responding to investor and shareholder queries. In addition, the IRO oversees most aspects of the Company's shareholder meetings, press conferences, investor briefings, management of the investor relations portion of the Company's website and the preparation of its annual reports. The IRO is also responsible for conveying information such as the Company's policy on corporate governance and corporate social responsibility, as well as other qualitative aspects of the Company's operations and performance.

Ms. Teresa C. Secuya currently serves as the Company's Compliance Officer to ensure that the Company complies with, and files on a timely basis, all required disclosures and continuing requirements of the Philippine SEC and the PSE.

The Company's Investor Relations Office is located at 11th Floor, Liberty Center, 104 H.V. dela Costa Street, Salcedo Village, Makati City, Metro Manila.

Recent Land Acquisition

In 2016, 8990 purchased 164 hectares of raw land, valued at about ₱5 Billion, bringing the total land bank to approximately 557 ha as of June 30, 2017. The 2016 land acquisitions included the following:

Metro Manila	
Alabang Zapote, Las Pinas	3.4 ha
Litex Road, Commonwealth, Quezon City	2.0 ha
Brgy. Old Balara, Quezon City	17.6 ha
Mendiola/Otis property	2.8 ha
Provinces	
Meycauyan, Bulacan	44.0 ha
AS Fortuna, Banilad, Cebu	1.8 ha
Granada, Bacolod	62.0 ha
San Miguel, Iloilo	30.4 ha

The present land bank will provide an estimated 109,000 units with gross selling value of ₱126 Billion.

Use of Proceeds

Out of the gross proceeds, the Company shall deduct fees, commissions, and expenses for each tranche of the Offer. The use of proceeds for the subsequent tranches of the Offer shall be set out in the relevant Offer Supplement.

The net proceeds will be used to refinance existing debt obligations of the Company and its Subsidiary, 8990 Housing.

Offer Supplement

For each subsequent tranche of the Offer, the Company shall distribute an Offer Supplement which shall be disclosed to the public through the filing with the SEC and the PSE and made available for download from the website of the Company specifically, in http://www.8990holdings.com.

The Offer Supplement includes, without limitation, the following information:

(a) timetable, offer size of the specific offering, specific terms applicable for each subsequent tranche, the applicable dividend rate and the mode of settlement of the offering;
(b) capital structure of the Company after the offering;
(c) any changes to the risk factors and tax consequences of the offering;
(d) description of the specific distribution and underwriting arrangements; and
(e) amount and use of proceeds.

Plan of Distribution

The Company plans to issue the Preferred Shares to institutional and retail investors through a public offering to be conducted through the Underwriters (for a more detailed discussion, including fees to be paid to the Underwriters, please refer to the section on "Plan of Distribution" on page 58 of this Prospectus (for the initial tranche) or to the relevant Offer Supplement for subsequent tranches of the Offer.

SUMMARY OF THE OFFER

The following summary only covers the Offer Shares and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus, the Articles of Incorporation and By-Laws of the Company (each as amended to date), the Application to Purchase and applicable laws and regulations. This discussion may not contain all of the information that prospective investors should consider before deciding to invest in the Preferred Shares. Accordingly, any decision by a prospective investor to invest in the Preferred Shares should be based on a consideration of this Prospectus, the Offer Supplement, the Application to Purchase, the Articles of Incorporation and By-Laws of the Company (each as amended to date), and applicable laws and regulations as a whole..

For subsequent tranches of the Preferred Shares, a discussion containing the "Terms of the Offer" shall be set out in the relevant Offer Supplement. However, any such discussion should be read together with, and is qualified in its entirety by reference to, the additional information appearing elsewhere in this Prospectus, the Offer Supplement, including, but not limited to, the discussion on the "Description of the Securities", the Articles of Incorporation and By-Laws of the Company (each as amended to date), the Application to Purchase and applicable laws and regulations. This discussion may not contain all of the information that prospective investors should consider before deciding to invest in the Preferred Shares. Accordingly, any decision by a prospective investor to invest in the Preferred Shares should be based on a consideration of this Prospectus, the Offer Supplement, the Application to Purchase, the Articles of Incorporation and By-Laws of the Company (each as amended to date), and applicable laws and regulations as a whole.

Issuer	8990 Holdings, Inc. ("8990", the "Company" or the "Issuer")
Issue	non-voting, non-convertible, non-participating, redeemable, perpetual Peso-denominated Preferred Shares (the "Preferred Shares")
Issue Amount	₱5,000,000,000.00
Offer and Offer Price	The Issuer, through the Underwriter, is offering 50,000,000 Preferred Shares (the "Offer," and the Preferred Shares subject of the Offer, the "Offer Shares" or "Series A Preferred Shares"), at an offer price of ₱100.00 per Offer Share (the "Offer Price").
Registration and Listing	The Company has applied with the Securities and Exchange Commission ("SEC") for the shelf registration of 100,000,000 cumulative, non-voting, non-convertible, non-participating, redeemable, perpetual Preferred Shares, pursuant to the Securities Regulation Code and its implementing rules and regulations. The Preferred Shares will be issued in tranches within the Shelf Period. The first tranche of the Preferred Shares to be offered and issued out of the shelf-registration is the subject of the Initial Offer and will comprise the Offer Shares. The Company has likewise applied with the Philippine Stock Exchange ("PSE") for the listing of the Preferred Shares. The PSE approved the Company's application for the listing of the Offer Shares on the Main Board of the PSE on November 8, 2017. The PSE approval does not cover the entire 100,000,000 Preferred Shares that are under shelf registration; but covers only the 50,000,000 Offer Shares subject of this Offer, which pertains to this first tranche Offer of up to 50,000,000 Offer Shares. An approval for listing is permissive only and does not constitute a recommendation or endorsement by the PSE or the SEC of the Series A Preferred Shares. The PSE assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Furthermore, the PSE makes no representation as to the completeness and expressly disclaims any liability whatsoever for any loss arising from, or in reliance upon, the whole or any part of the contents of this Prospectus.

	Upon listing, the Offer Shares will be traded under the symbol "8990P".
Issue Date	December 1, 2017
Use of Proceeds	To refinance existing debt obligations of the Issuer and its subsidiary, 8990 Housing.
Par Value	The Offer Shares have a par value of ₱1.00 per share.
Offer Price	The Offer Shares will be offered at a price of ₱100.00 per share.
Dividend Rate	The Offer Shares will, subject to certain dividend payment conditions (see "Conditions for the Declaration and Payment of Cash Dividends" in this Prospectus), bear cumulative, non-participating cash dividends (the "Dividends") based on the Offer Price, payable quarterly in arrears every Dividend Payment Date (as defined below) at the Dividend Rate per annum reckoned from Issue Date. Dividends will be calculated on a 30/360-day basis. The term "Dividend Rate" means (a) from the Issue Date up to the Initial Optional Redemption Date, the Original Dividend Rate, and (b) from the Initial Optional Redemption Date, the higher of the Original Dividend Rate and the Step Up Rate. (Please see below for the relevant definitions.)
Original Dividend Rate	The original dividend rate shall be at a fixed rate of 6.0263% per annum. The final dividend rate for the Offer Shares was determined through a book building process. The range at which the Issuer and China Bank Capital accepted tenders in respect of the Offer Shares was within the sum of (i) the Benchmark Rate as defined below plus (ii) a spread of one hundred and seventy-five (175) to two hundred and twenty-five (225) basis points.
Benchmark Rate	The Benchmark Rate is defined as: i. The simple average of five (5) year PDST-R2 benchmark rates for the three (3) consecutive business days ending on (and including) the Dividend Rate Setting Date, provided that there should be at least two (2) "done" rates for the applicable PDST-R2 rate from distinct days during the relevant three (3) business day period. ii. If the conditions set out in paragraph (i) are not met, then the simple average for the three consecutive business days ending on (and including) the Dividend Rate Setting Date of the daily straight-line interpolation of the weighted average yields of "done" trades of the relevant Philippine government-issued fixed-income instruments (the "Reference Bonds") from distinct days; for the avoidance of doubt, the Reference Bonds shall only be interpolated for a particular business day if there are "done" trades for both Reference Bonds. iii. If the conditions set out in (i) and (ii) are not met, then the simple average of the applicable PDST-R2 rate for the three (3) consecutive business days ending on (and including) the Dividend Rate Setting Date, notwithstanding that there are no "done" transactions for such PDST-R2 rate for each of the said three (3) consecutive business days. Interpolation Method The formula for computing the interpolated rate for each business day shall be as follows: $R_i = R_1 + \left[\frac{R_2 - R_1}{t_2 - t_1} \times (t_i - t_1)\right]$

	Wherein: R_i : shall be the interpolated rate of the Offer Shares R_1 : shall be the weighted average yield of done trades for Reference Bond 1 of the Offer Shares, as indicated below, on the relevant valid trading day R_2 : shall be the weighted average yield of done trades for Reference Bond 2 of the Offer Shares, as indicated below, on the relevant valid trading day t_i : shall be the equivalent of 5 years in terms of days t_1 : shall be the number of days to maturity of Reference Bond 1 of the Offer Shares, as indicated below, on the relevant valid trading day t_2 : shall be the number of days to maturity of Reference Bond 2 of the Offer Shares, as indicated below, on the relevant valid trading day The Reference securities are as follows: Reference Bond 1: FXTN 07-57 Reference Bond 2: FXTN 07-58
Step-Up Benchmark Rate	The Step-Up Benchmark Rate will be equivalent to the simple average of the ten (10)-year PDST-R2 for three (3) consecutive business days ending on (and including) the fifth (5th) anniversary as shown on the PDEx page (or such successor page) of Bloomberg (or such successor electronic service provider, provided that there are done transactions for such PDST-R2 on at least two (2) of the three (3) days above. If the foregoing requirement on done transactions is not met, if or the applicable PDST-R2 is not otherwise available, the Company and the Underwriter shall adopt a mutually acceptable alternative mechanism for determining the Step-Up Benchmark Rate.
Dividend Rate Step-Up	Unless the Offer Shares are redeemed by the Issuer on the fifth (5th) anniversary of the Listing Date (the "Initial Optional Redemption Date"), the Dividend Rate shall be adjusted thereafter to the higher of: a. Original Dividend Rate, or b. the sum of: i. the Step-Up Benchmark Rate, and ii. the Original Spread plus 250 basis points (this item b, the "Step Up Rate"). For the avoidance of doubt, if the Original Dividend Rate is higher than the Step Up Rate, there shall be no adjustment on the Dividend Rate, and the Original Dividend Rate shall continue to be the Dividend Rate.
Dividend Payment Dates	As and if declared by the Issuer, and in accordance with the terms and conditions of the Offer Shares, dividends will be payable starting on March 1, 2018 and every March 1, June 1, September 1 and December 1 of each year (each, a "Dividend Payment Date"), being the last day of each 3- month dividend period (a "Dividend Period"), provided that, the first Dividend Period of the Offer Shares shall be the period commencing on the relevant

	issue date and ending on the last day of the then current dividend period for the outstanding Preferred Shares. If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment as to the amount of dividends to be paid. A "Banking Day" means a day, except Saturday or Sunday or legal holidays, when banks are open for business in Metro Manila Philippines during which facilities of the Philippine banking system are open and available for clearing.
Conditions for the Declaration and Payment of Cash Dividends	The Issuer's Board of Directors has full discretion over the declaration and payment of cash dividends on the Offer Shares, to the extent permitted by law. The Issuer's Board of Directors will not declare and pay cash dividends on any Dividend Payment Date where, in its opinion: (a) Payment of the cash dividend would cause the Issuer to breach any of its financial covenants; or (b) The unrestricted retained earnings available to the Issuer for distribution as dividends are not sufficient to enable the Issuer to pay cash dividends in full on all other classes of the Issuer's outstanding shares that are scheduled to be paid on or before any Dividend Payment Date and that have an equal right and priority to dividends as the Offer Shares. If the unrestricted retained earnings available to distribute as dividends are, in the Issuer's Board of Directors' opinion, not sufficient to enable the Issuer to pay both dividends on the Offer Shares and the dividends on other shares that have an equal right and priority to dividends as the Offer Shares, in full and on the relevant dates, then the Issuer is required to: (1) first, pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that Dividend Payment Date on any shares with a right to dividends ranking higher in priority to that of the Offer Shares; and (2) second, to pay dividends on the Offer Shares and any other shares ranking equally with the Offer Shares as to participation in such retained earnings pro rata to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrears on any past cumulative dividends on any shares ranking equal in priority with the Offer Shares to receive dividends. Any such cash dividends deferred or not declared in accordance with the above provisions shall constitute "Arrears of Dividends." The unrestricted retained earnings available for distribution are, in general and with some adjustments, equal to the Issuer's accumulated profits, less accumulated realized losses. In general, under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purposes and which are free for distribution to the shareholders as dividends. Cash dividends on the Offer Shares will be cumulative. If for any reason the Board of Directors of the Issuer does not declare cash dividends on the Offer Shares for a Dividend Period, the Issuer will not pay cash dividends on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which cash dividends are declared, holders of the Offer Shares must receive the accrued and unpaid cash dividends due them on such Dividend Payment Date as well as all Arrears of Dividends to the holders of the Offer Shares prior to such Dividend Payment Date.

	Holders of the Offer Shares shall not be entitled to participate in any other or further dividends, cash, property or stock beyond the dividends specifically payable on the Offer Shares. The Issuer covenants that, in the event: (a) any cash dividends due with respect to any Offer Shares then outstanding for any period are not declared and paid in full when due; (b) where there remains outstanding Arrears of Dividends; or (c) any other amounts payable under the terms and conditions of the Offer Shares are not paid in full when due for any reason, then it will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking *pari passu* with, or junior to, the Offer Shares (or contribute any money to a sinking fund for the redemption of any securities ranking *pari passu* with, or junior to, the Offer Shares) until any and all Arrears of Dividends and accrued but unpaid cash dividends have been paid to the holders of the Offer Shares (unless such declaration or payment of dividends or distributions in respect of *pari passu* securities shall be in accordance with the paragraph numbered (2) of this section in respect of pro rata payment between the Offer Shares and any other shares ranking equally with the Offer Shares as to participation in the retained earnings).
Payments of Dividends and Other Amounts	All payments of dividends and any other amounts under the Offer Shares shall be paid by the Issuer in Philippine Pesos. On the relevant payment dates, the Paying Agent shall make available to the holders of the Offer Shares as of the relevant record date, checks drawn against the relevant payment settlement account in the amount due to each of such holders of record, either (i) for pick-up by the relevant holder of record of the Offer Shares or its duly authorized representative at the office of the Paying Agent, or (ii) delivery via courier or, if courier service is unavailable for delivery to the address of the relevant holder of record of the Offer Shares via mail, at such holder's risk, to the address of such holder appearing in the Registry of Shareholders.
Optional Redemption	As and if approved by the Board of Directors of the Issuer and subject to the requirements of applicable laws and regulations, and the Issuer's financial covenants, the Issuer has the sole option, but not the obligation, to redeem all (but not part) of the outstanding Offer Shares, having given to the Stock Transfer Agent, the SEC and the PSE not less than thirty (30) days' written notice prior to the intended date of redemption, on: (a) the Initial Optional Redemption Date; or (b) any Dividend Payment Date after the Initial Optional Redemption Date (each, an "Optional Redemption Date"), at a redemption price equal to the Offer Price of the Offer Shares, plus any accrued and unpaid cash dividends due them on such Dividend Payment Date as well as all Arrears of Dividends outstanding, after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (the "Redemption Price"). The Redemption Price shall be paid to holders of the Offer Shares as of the relevant record date set by the Issuer for such redemption.

	The Issuer may, at its sole option, subject to the requirements of applicable laws and regulations and the Issuer's financial covenants, also redeem the Offer Shares, in whole but not in part, at any time if an Accounting Event or a Tax Event has occurred, having given not less than thirty (30) days' written notice to the Stock Transfer Agent, the PSE and the SEC prior to the intended date of redemption. The redemption due to an Accounting Event or a Tax Event shall be made by the Issuer at the Redemption Price, which shall be paid on the date of redemption set out in the notice.
Accounting Event	An accounting event ("Accounting Event") shall occur if, in the opinion of the Issuer, with due consultation with its independent auditors at the relevant time, there is more than an insubstantial risk that the Offer Shares or the funds raised through the issuance of the Offer Shares may no longer be recorded as "equity" to the full extent as at the Issue Date pursuant to the Philippine Financial Recording Standards ("PFRS"), or such other accounting standards which succeed PFRS, as adopted by the Republic of the Philippines and applied by the Issuer for drawing up its consolidated financial statements for the relevant financial year.
Tax Event	A tax event ("Tax Event") shall occur if dividend payments or other amounts payable on the Offer Shares become subject to higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof.
No Sinking Fund	The Issuer has not established, and currently has no plans to establish, a sinking fund for the redemption of the Offer Shares.
Purchase of the Offer Shares	Subsequent to the listing of the Offer Shares on the PSE, and subject to compliance with applicable law and rules of the PSE, the Issuer may purchase the Offer Shares at any time at market prices through the facilities of the PSE, or by tender offer or negotiated sale, subject, however, to the relevant PSE approval for a regular or special block sale (as applicable), without the obligation to purchase or redeem the other Offer Shares. Any Offer Shares redeemed or purchased by the Issuer shall be recorded as treasury stock of the Issuer and will be cancelled.
Taxation	Subject to the provisions set forth below, all payments in respect of the Offer Shares are to be made free and clear of any deductions or withholding for or on account of any future taxes or duties imposed by or on behalf of the Philippines, including but not limited to, documentary stamp, issue, registration, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that holders of the Offer Shares will receive the full amount of the relevant payment which otherwise would have been due and payable. Notwithstanding the foregoing, the Issuer shall not be liable for, and the foregoing payment undertaking of the Issuer shall not apply to: (a) any withholding tax applicable to dividends earned by or any amounts payable to holders of the Offer Shares; (b) any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the Redemption Price) or buy back of the Offer Shares, or on the liquidating distributions as may be received by a holder of Offer Shares;

	(c) any expanded value added tax which may be payable by any holder of the Offer Shares on any amount to be received from the Issuer under the terms and conditions of the Offer Shares; (d) any withholding tax on any amount payable to any holder of Offer Shares which is a nonresident foreign corporation; and (e) applicable taxes on any subsequent sale or transfer of the Offer Shares by any holder of the Offer Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes). Documentary stamp tax for the primary issue of the Offer Shares and the documentation, if any, shall be for the account of the Issuer. Please see "Taxation" in the Prospectus for the Philippine tax consequences of the acquisition, ownership and disposition of Offer Shares.
Tax-Exempt Status or Entitlement to Preferential Tax Rate	An investor or holder of the Offer Shares who is exempt from the withholding tax described under "Taxation", or is subject to a preferential withholding tax rate shall be required to submit the following requirements to Stock Transfer Service, Inc. as the stock transfer agent of the Offer Shares or any entity who may succeed to the functions thereof (the "Stock Transfer Agent"), subject to acceptance by the Issuer, as being sufficient in form and substance: (i) a current and valid Bureau of Internal Revenue ("BIR") certified true copy (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) of the tax exemption certificate, ruling or opinion or a Certificate of Residence for Tax Treaty Relief ("CORTT Form"), as applicable, confirming the exemption or preferential rate; (ii) a duly notarized undertaking (in form and substance prescribed by the Issuer) executed by (1) the corporate secretary or any authorized representative of such applicant or holder of Offer Shares, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the holder of Offer Shares holds, the Offer Shares for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Offer Shares pursuant to its management of tax-exempt entities (i.e., Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Stock Transfer Agent and the Paying Agent of any suspension or revocation of the tax exemption certificate, certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Stock Transfer Agent and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and (iii) If applicable, such other documentary requirements as may be reasonably required by the Issuer or the Registrar or Paying Agent, or as may be required under applicable regulations of the relevant taxing or other authorities. The foregoing requirements shall be submitted, (i) in respect of an initial issuance of the Offer Shares, to the Underwriter, any co-lead managers, co-

	managers or Selling Agents who shall then forward the same with the Application to Purchase to the Stock Transfer Agent; or (ii) in respect of a transfer from a holder of Offer Shares to a purchaser, to the Stock Transfer Agent within three (3) days from settlement date. Unless properly provided with satisfactory proof of the tax-exempt status of an applicant or a holder of the Offer Shares, the Stock Transfer Agent and Paying Agent may assume that said applicant or holder is taxable and proceed to apply the tax due on the Offer Shares. Notwithstanding the submission by the applicant or holder, or the receipt by the Issuer or any of its agents, of documentary proof of the tax-exempt status of an applicant or holder, the Issuer may, in its sole and reasonable discretion, determine that such shareholder is taxable and require the Stock Transfer Agent and Paying Agent to proceed to apply the tax due on the Offer Shares. Any question on such determination shall be referred to the Issuer.
Liquidation Rights	In the event of a return of capital in respect of the Issuer's winding up or otherwise (whether voluntarily or involuntarily) (but not on a redemption or purchase by the Issuer of any of its share capital), the holders of the Offer Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of the Issuer available for distribution to shareholders, together with the holders of any other shares of the Issuer ranking, as regards repayment of capital, *pari passu* with the Offer Shares and before any distribution of assets is made to holders of any class of the Issuer shares ranking junior to the Offer Shares as regards repayment of capital, liquidating distributions in an amount equal to the Offer Price per share plus an amount equal to the Arrears in Dividends, any dividends declared unpaid in respect of the previous dividend period, and any accrued and unpaid dividends for the then current dividend period to (and including) the date of commencement of the Issuer's winding up or the date of any such other return of capital, as the case may be. If, upon any return of capital in the winding up of the Issuer, the amount payable with respect to the Offer Shares and any other shares of the Issuer ranking as to any such distribution *pari passu* with the Offer Shares are not paid in full, the holders of the Offer Shares and of such other shares will share proportionately in any such distribution of the assets of the Issuer in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Offer Shares will have no right or claim to any of the remaining assets of the Issuer and will not be entitled to any further participation or return of capital in a winding up.
Form, Title and Registration of the Preferred Shares	The Offer Shares will be issued in scripless form through the electronic book-entry system of Stock Transfer Service, Inc. as the Stock Transfer Agent, and lodged with the Philippine Depository Trust Corporation ("PDTC") as depository agent on Listing Date through PSE trading participants nominated by the applicants. For this purpose, applicants shall indicate in the proper space provided for in the Application to Purchase (as defined below) the name of a PSE trading participant under whose name their Offer Shares will be registered. After Listing Date, shareholders may request their nominated PSE trading participant, to uplift their shares as evidence of their investment in the Offer Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder. Legal title to the Offer Shares will be shown in the stock and transfer book which shall be maintained by the Stock Transfer Agent. The Stock Transfer Agent shall send a transaction confirmation advice confirming every receipt or transfer of the Offer Shares. Any request by shareholders for certifications, reports or other documents from the Stock Transfer Agent, except as provided herein, shall be for the account of the requesting shareholder.

	For scripless shares, the maintenance and custody fee payable to the PDTC shall be for the account of the shareholder. Initial placement of the Offer Shares and subsequent transfers of interests in the Offer Shares shall be subject to normal Philippine selling restrictions for listed securities as may prevail from time to time. Philippine law does not require transfers of the Offer Shares to be effected on the PSE, but any off-exchange transfers will subject the transferor to a capital gains tax that may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange. Please see "Taxation" in this Prospectus. All transfers of shares on the PSE must be effected through a licensed stock broker in the Philippines.
Title and Transfer	Legal title to the Offer Shares shall pass by endorsement and delivery to the transferee and registration in the Registry of Shareholders to be maintained by the Stock Transfer Agent. Settlement in respect of such transfer or change of title to the Offer Shares, including the settlement of documentary stamp taxes, if any, arising from subsequent transfers, shall be similar to the transfer of title and settlement procedures for listed securities in the PSE.
Status of the Offer Shares in the Distribution of Assets in the Event of Dissolution	The Offer Shares will constitute the direct and unsecured subordinated obligations of the Issuer ranking at least *pari passu* in all respects and ratably without preference or priority among themselves. The Offer Shares rank junior in right of payment to all indebtedness of the Company and claims against the Company which rank or are expressed to rank senior to the Offer Shares. Accordingly, the obligations of the Company under the Offer Shares will not be satisfied unless the Company can satisfy in full all of its other obligations ranking senior to the Offer Shares. There is no agreement or instrument that limits or prohibits the ability of the Issuer to issue Offer Shares or other securities that rank *pari passu* with the Offer Shares or with terms and conditions different from the Offer Shares.
Selling and Transfer Restrictions	After listing, the subsequent transfers of interests in the Offer Shares shall be subject to normal selling restrictions for listed securities as may prevail in the Philippines from time to time.
Governing Law	The Offer Shares will be issued pursuant to the laws of the Republic of the Philippines.
Offer Period	The offer period of this Offer shall commence at 9:00 a.m., Manila Time on November 17 and end at 12:00 p.m., Manila Time on November 23 (the "Offer Period"). Applications shall be accepted on each Banking Day of the Offer Period commencing from 9:00 a.m. to 5:00 p.m., except on the last Banking Day of the Offer Period where applications shall be accepted from 9:00 a.m. to 12 p.m. only. The Issuer and the Underwriter reserve the right to extend or terminate the Offer Period with the approval of the SEC and, as applicable, the PSE. Applications shall be considered irrevocable upon submission to the Underwriter, any co-lead managers, co-managers or Selling Agents, and shall be subject to the terms and conditions of the Offer as stated in this Prospectus, and in the application form to subscribe to the Offer Shares (the "Application to Purchase"). Applications to Purchase the Offer Shares, together with the required documents (each, an "Application"), must be received by the Underwriter, any co-lead managers, co-managers or Selling Agents not later than 12:00 p.m. Manila time on November 23. Applications received thereafter or without the required documents and/or full payments will be

	rejected. The Issuer reserves the right to waive any requirement for the acceptance of the Applications.
Minimum Subscription to the Preferred Shares	Each Application shall be for a minimum of 500 Offer Shares, and thereafter, in multiples of 100 Offer Shares. No Application for multiples of any other number of Offer Shares will be considered.
Eligible Investors	The Offer Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality, subject to limits under Philippine law and "Restriction on Ownership." However, under certain circumstances, the Issuer may reject an Application or reduce the number of the Offer Shares applied for subscription. Subscription to the Offer Shares may be restricted in certain jurisdictions. Foreign investors interested in subscribing or purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Offer Shares.
Restriction on Ownership	The Company, through its subsidiaries (most of which are wholly-owned), owns land as identified in the section on Description of Property on page 82. Under the Philippine Constitution and Philippine statutes, such activities are reserved for Philippine Nationals. Considering the foregoing, for as long as the Company or any of its subsidiaries own land in the Philippines, or continue to conduct property development in the Philippines, foreign ownership in the Company shall be limited to a maximum of: (i) 40% of the capital stock of the Company which is outstanding and entitled to vote; and (ii) 40% of the total outstanding capital stock of the Company, whether or not entitled to vote. For more information relating to restrictions on the ownership of the Offer Shares, please see sections entitled "Risk Factors" beginning on page 29 of the Prospectus and "Regulatory Framework" beginning on page 93 of the Prospectus.
Procedure for Application	Applications to Purchase the Offer Shares may be obtained from the Underwriter, any co-lead managers, co-managers or Selling Agents. The Application to Purchase may also be obtained from the website of the Issuer at www.8990holdings.com. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by an authorized signatory of the applicant and accompanied by: (a) two (2) duly accomplished signature cards containing (i) if applicant is a natural person, the specimen signature of the applicant, and (ii) if applicant is a corporation, partnership or trust account, the specimen signatures of the applicant's authorized signatories, validated by its Corporate Secretary or by an equivalent officer or officers who is or are authorized signatory or signatories, and in respect of each of item (i) and (ii), validated/signed by the Underwriter's authorized signatory or signatories whose authority and specimen signatures have been submitted to the Stock Transfer Agent, and (b) the corresponding payment for the Offer Shares covered by the Application and all other required documents including documents required for registry with the Stock Transfer Agent and Depository Agent. The duly executed Application to Purchase and required documents should be submitted to the Underwriter, any co-lead managers, co-managers or Selling Agents within the deadline as set out in this Prospectus.

	If the applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents: (a) a certified true copy of the applicant's latest articles of incorporation and by-laws and other constitutive documents, each as amended to date, duly certified by the corporate secretary; (b) applicant's SEC certificate of registration, duly certified by the corporate secretary; and (c) a duly notarized corporate secretary's certificate setting forth the resolution of the applicant's board of directors or equivalent body authorizing (i) the purchase of the Offer Shares indicated in the Application and (ii) the designated signatories for the purpose, including their respective specimen signatures. Individual applicants must also submit a photocopy of any one (1) of the following identification cards ("ID") bearing a signature and recent photo, and which is not expired: passport/driver's license, company ID issued by private entities or institutions registered with or supervised or regulated either by the Bangko Sentral ng Pilipinas ("BSP"), SEC or Insurance Commission, Social Security System card, Government Service and Insurance System e-card and/or Senior Citizen's ID or such other IDs enumerated in the Application to Purchase. Individual applicants must also submit such other documents as may be reasonably required by the Underwriter, or any co-lead underwriters or Selling Agents in implementation of its internal policies regarding "knowing your customer" and anti-money laundering. An applicant who is exempt from or is not subject to withholding tax or who claims reduced tax treaty rates must indicate such exemption or entitlement in the Application to Purchase and also submit additional documents as may be required by the Issuer, including but not limited to, the documents described under "Tax-Exempt Status or Entitlement to Preferential Tax Rate" in this Prospectus.
Payment for the Offer Shares	The Offer Price of the Offer Shares subscribed for must be paid in full in Philippine Pesos upon submission of the Application. Payment shall be in the form of either: (a) a Metro Manila clearing cashier's/manager's or corporate check or personal check drawn against a bank account with a BSP-authorized agent bank located in Metro Manila and dated as of the date of submission of the Application to Purchase covering the entire number of the Offer Shares covered by the same Application. Checks should be made payable to "China Bank Capital Corporation FAO 8990 Holdings, Inc." and crossed "For Payee's Account only". Applications and the related payments shall be received by the Receiving Agent at its offices or other designated places during the Offer Period; or (b) for applicants directly submitting their Application to Purchase to any of the Underwriter, co-lead managers, co-managers or Selling Agents: (i) through the Real Time Gross Settlement facility of the BSP to the Underwriter, co-lead managers, co-managers or Selling Agent to whom such Application was submitted, or (ii) via direct debit from their deposit account maintained with the Underwriter, any co-lead managers, co-managers or Selling Agents.

Acceptance/Rejection of Applications	The actual number of Offer Shares that an Applicant will be allowed to subscribe to is subject to the confirmation of the Underwriter. The Issuer reserves the right to accept or reject, in whole or in part, or to reduce any Application due to any grounds specified in the Underwriting Agreement entered into by the Issuer and the Underwriter. Applications which were unpaid or where payments were insufficient and those that do not comply with the Terms of the Offer shall be rejected. Moreover, any payment received pursuant to the Application does not ensure or indicate approval or acceptance by the Issuer of the Application. An Application, when accepted, shall constitute an agreement between the Applicant and the Issuer for the subscription to the Offer Shares at the time, in the manner and subject to terms and conditions set forth in the Application to Purchase and those described in the Prospectus. Notwithstanding the acceptance of any Application by the Issuer, the actual subscription by the Applicant for the Offer Shares will become effective only upon listing of the Offer Shares on the PSE and upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and not being suspended, terminated or cancelled, on or before the Listing Date, in accordance with the provision of the said agreement. If such conditions have not been fulfilled on or before the periods provided above, all Application payments will be returned to the Applicants without interest.
Refunds of Application Payments	In the event that the number of Offer Shares to be allotted to an Applicant, as confirmed by the Underwriter, is less than the number covered by its Application, or if an Application is wholly or partially rejected by the Issuer, then the Issuer shall refund, without interest, within five (5) Banking Days from the end of the Offer Period, all or a portion of the payment corresponding to the number of Offer Shares wholly or partially rejected. All refunds shall be made through the Underwriter, any co- lead Managers, co-managers or Selling Agents with whom the Applicant has filed the Application at the risk of the applicant.
Timetable	The timetable of this Offer is as follows:

Dividend Rate Setting	November 8, 2017
Dividend Rate Announcement	November 9, 2017
Offer Period	November 17 to November 23, 2017
PSE Trading Participants' Commitment Deadline	November 21, 2017
PSE Trading Participants' Allocation	November 22, 2017
Issue Date	December 1, 2017
Listing Date, and Commencement of Trading on the PSE	December 1, 2017

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

Issue Manager, Lead Underwriter and Bookrunner	China Bank Capital Corporation
Selling Agents	Trading Participants of The Philippine Stock Exchange, Inc.
Stock Transfer Agent	Stock Transfer Service, Inc.
Receiving and Paying Agent	Stock Transfer Service, Inc.
Counsel to the Issuer	Picazo Buyco Fider Tan & Santos

Counsel to the Issue Manager, Sole Bookrunner and Lead Underwriter	SyCip Salazar Hernandez & Gatmaitan

CAPITALIZATION

As of the date of this Prospectus, the Company has an authorized capital stock of ₱7,000,000,000.00 consisting of 6,900,000,000 Common Shares with a par value of ₱1.00 per Common Share and 100,000,000 non-voting, non-convertible, non-participating, redeemable, perpetual preferred shares with a par value of ₱1.00 per preferred share. The subscribed capital stock of the Company is ₱5,517,990,720.00 consisting of 5,517,990,720.00 Common Shares.

The following table sets out the Company's consolidated debt, shareholders' equity and capitalization as of June 30, 2017, and as adjusted to reflect the issue of the Offer Shares. The table should be read in conjunction with the Company's consolidated financial statements, included in the Prospectus. There has been no material change in the figures as shown in the following table and the notes thereto since the date thereof except for the issue of the Offer Shares.

	Actual as of June 30, 2017	After Giving Effect to the Offer
	(₱ in millions)	(₱ in millions)
	(Unaudited)	
Total debt[1]	26,303.34	21,355.75
Equity:		
Capital stock	5,517.99	5,567.99
Additional paid-in capital	4,400.13	9,297.72
Equity reserve	-	-
Other comprehensive loss	-4.61	-4.61
Retained earnings	9,190.17	9,190.17
Total equity	19,103.68	24,051.27
Total capitalization	45,407.02	45,407.02

Note:

(1) *Total debt comprises "Current portion of loans payable", "Loans payable – net of current portion." And "Bonds payable"*

For subsequent tranches of the Preferred Shares, the consolidated short-term and long-term debt and capitalization of the Company as of the relevant period shall be set out in the Offer Supplement for each subsequent tranche of the Offer.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following tables set forth summary consolidated financial information for the Company and should be read in conjunction with the independent auditors' reports and the Company's audited consolidated financial statements, including the notes thereto, included elsewhere in this Prospectus, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The summary consolidated financial information as at and for the years ended December 31, 2014, 2015, and 2016 were derived from the Company's audited consolidated financial statements, and the unaudited consolidated financial statements as at and for the period ended June 30, 2016 and 2017, which were prepared in accordance with PFRS and were audited by SGV & Co. (for 2014 and 2015) and Punongbayan & Araullo (for 2016) in accordance with the Philippine Standards on Auditing ("PSA"). The summary consolidated financial information below is not necessarily indicative of the results of future operations.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the years ended December 31,			For the six months ended June 30,	
	2014 (Audited)	**2015 (Audited)**	**2016 (Audited)**	**2016 (Unaudited)**	**2017 (Unaudited)**
		(millions)		*(millions)*	
Revenue	₱7,657.3	₱9,279.7	₱9,271.3	₱4,735.3	₱3,041.5
Cost of Sales and Services	(3,129.7)	(4,174.3)	(4,270.5)	(2,010.0)	(1,284.8)
Gross Income	4,527.6	5,105.4	5,000.8	2,725.3	1,756.7
Operating Expenses	(1,545.1)	(1,723.8)	(1,615.0)	(788.0)	(740.9)
Net Operating Income	2,982.5	3,381.6	3,385.8	**1,937.4**	**1,015.8**
Finance Costs	(396.3)	(614.7)	(963.3)	(411.2)	(538.0)
Other Income	1,014.3	1,346.9	1,601.0	750.6	860.1
Income before Income Tax	3,600.5	4,134.8	4,023.5	**2,276.8**	**1,337.9**
Provision for Income Tax	(303.8)	(410.3)	(448.9)	(95.5)	(117.0)
Income after Income Tax from continuing operations	3,296.7	3,703.5	3,574.5	**2,181.3**	**1,220.9**
Income after Income Tax from discontinued operations	12.4	20.6	-	**-**	**-**
Net Income	3,309.1	₱3,724.1	3,574.5	**2,181.3**	**1,220.9**
Other Comprehensive Income (Loss)	(2.1)	(1.6)	(0.5)	0.0	0.0
Total Comprehensive Income	₱3,307.0	₱3,722.5	₱3,575.0	**₱ 2,181.3**	**₱ 1,220.9**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of December 31,			As of June 30,	
	2014 (Audited)	**2015 (Audited)**	**2016 (Audited)**	**2016 (Unaudited)**	**2017 (Unaudited)**
		(millions)		*(millions)*	
ASSETS					
Current Assets					
Cash on Hand and in Banks	₱605.1	₱600.2	₱703.8	₱ 319.8	₱ 512.7
Current Portion of Trade and Other Receivables	947.6	1,502.1	2,231.2	1,398.6	1,453.3
Inventories	3,078.1	5,092.3	7,317.5	5,520.2	9,513.4
Available-for-sale securities	1,155.1	0.0	0.0		
Due from Related Parties	133.4	289.7	228.4	499.6	383.3
Current Portion of Long-Term Investments	0.0	0.0	0.0	0.0	0.0
Other Current Assets	572.8	2,025.2	1,349.3	2,279.6	1,839.5
Total Current Assets	6,492.2	9,509.5	11,830.1	10,017.7	13,702.2

Noncurrent Assets					
Trade and Other Receivables – Net of Current Portion	13,477.1	17,565.6	20,527.0	19,704.2	19,693.5
Available-for-sale securities - Net of Current Portion	23.7	1,178.2	1,160.8	1,175.1	1,156.4
Land Held for Future Development	6,527.0	6,593.2	12,946.6	10,727.6	13,769.4
Property and Equipment	227.1	239.0	288.6	274.3	292.1
Investment Properties	296.3	309.0	296.7	323.0	295.3
Other Noncurrent Assets	103.1	682.7	722.9	683.4	767.8
Total Noncurrent Assets	20,654.5	26,567.7	35,942.5	32,887.5	35,974.6
Total Assets	₱ 27,146.7	₱ 36,077.2	₱ 47,772.7	₱ 42,905.2	₱ 49,676.8
LIABILITIES AND EQUITY					
Current Liabilities					
Current Portion of Trade and Other Payables	2,225.8	2,627.0	3,186.6	2,508.0	3,033.8
Current Portion of Loans Payable	2,380.8	1,980.9	6,855.6	4,121.4	7,919.1
Deposits from Customers	274.4	411.7	429.0	278.4	433.4
Due to Related Parties	369.0	114.2	107.2	89.8	123.9
Income Tax Payable	137.3	213.9	219.4	65.6	133.1
Total Current Liabilities	5,387.3	5,347.8	10,797.8	7,063.2	11,643.4
Noncurrent Liabilities					
Trade and Other Payables - Net of Current Portion	18.3	68.4	70.2	73.6	70.2
Loans Payable - Net of Current Portion	6,453.1	3,975.4	8,195.5	8,271.0	9,466.8
Bonds Payable	0.0	8,886.5	8,906.8	8,896.5	8,917.4
Deferred Tax Liability	398.8	456.5	540.1	456.5	475.2
Total Noncurrent Liabilities	6,870.2	13,386.9	17,712.6	17,697.6	18,929.7
Total Liabilities	12,257.5	18,734.6	28,510.5	24,760.8	30,573.1
Equity					
Capital Stock	5,518.0	5,518.0	5,518.0	5,518.0	5,518.0
Additional Paid-in Capital	4,400.1	4,400.1	4,400.1	4,400.1	4,400.1
Equity Reserve					
Remeasurement Loss on Pension Plan	(3.6)	(5.1)	(4.6)	-5.1	-4.6
Retained Earnings	4,974.7	7,429.6	9,348.7	8,231.4	9,190.2
Total Equity	14,889.2	17,342.6	19,262.2	18,144.4	19,103.7
Total Liabilities and Equity	₱ 27,146.7	₱ 36,077.2	₱ 47,772.7	₱ 42,905.2	₱ 49,676.8

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended December 31,			**For the six months ended June 30,**	
	2014	**2015**	**2016**	**2016**	**2017**
	(Audited)	**(Audited)**	**(Audited)**	**(Unaudited)**	**(Unaudited)**
		(millions)		*(millions)*	
Net Cash Provided by (Used in) Operating Activities	(2,159.8)	(2,214.8)	430.7	(900.4)	(161.0)
Net Cash Used in Investing Activities	(4,120.8)	(1,499.0)	(6,879.4)	(4,202.3)	(847.3)

	For the years ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
		(millions)		*(millions)*	
Net Cash Provided by Financing Activities	6,636.7	3,708.9	6,552.2	4,822.3	817.3
Net Increase (Decrease) in Cash on Hand and in Banks	356.1	(4.9)	103.6	(280.4)	(191.1)
Cash on Hand and in Banks at Beginning of Year	249.0	605.1	600.2	600.2	703.8
Cash on Hand and in Banks at End of Year	605.1	600.2	703.8	319.8	512.7

KEY PERFORMANCE INDICATORS

Key Performance Indicators	As of December 31, 2015 (Audited)	As of December 31, 2016 (Audited)	As of June 30, 2016 (Unaudited)	As of June 30, 2017 (Unaudited)
Current Ratio[(1)]	1.78	1.10	1.42	1.18
Book Value Per Share[(2)]	3.14	3.49	3.29	3.46
Debt to equity ratio[(3)]	0.86	1.24	1.17	1.38
Debt Service Coverage Ratio	2.07	1.63	3.54	1.77
Asset to Equity Ratio[(4)]	2.08	2.48	2.36	2.60
Asset to Debt Ratio[(5)]	2.43	1.99	2.02	1.89
Interest Coverage Ratio[(6)]	8.09	13.07	17.41	4.22
Gross Income[(7)]	55.02%	53.94%	57.55%	57.76%
EBITDA Margin[(8)]	51.34%	54.30%	57.22%	62.56%
Net Income Margin[(9)]	39.91%	38.55%	46.06%	40.14%

Notes:

(1) Current ratio: Current asset over current liabilities

(2) Book value per share: Total equity over outstanding common shares

(3) Debt to equity ratio: Total interest-bearing debt over total equity

(4) Asset to equity ratio: Total asset/total equity

(5) Asset to Debt Ratio: Total Asset/total interest-bearing debt

(6) Interest Coverage Ratio: Earnings before interest and taxes over interest expense

(7) Gross Income: Gross Income/Revenue

(8) EBITDA Margin: Earnings before interest, taxes and depreciation over revenue

(9) Net Income margin: Net income over revenue

RISK FACTORS

An investment in the Preferred Shares involves a number of risks. The price of securities can and does fluctuate, and any individual security is likely to experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Past performance is not indicative of future performance and results, and there may be a large difference between the buying price and the selling price of any security. Investors should carefully consider all the information contained in this Prospectus, including the risk factors described below, before deciding to invest in the Preferred Shares. The occurrence of any of the following events, or other events not currently anticipated, could have a material adverse effect on the Company's business, financial condition and results of operations and cause the market price of the Preferred Shares to decline. All or part of an investment in the Preferred Shares could be lost.

The means by which the Company intends to address the risk factors discussed herein are principally presented under the captions "Business," particularly under "Competitive Strengths" "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry," and "Board of Directors and Senior Management—Corporate Governance" of this Prospectus. This risk factor discussion does not purport to disclose all of the risks and other significant aspects of investing in the Preferred Shares. Investors should undertake independent research and study the trading of securities before commencing any trading activity. Investors should seek professional advice regarding any aspect of the securities such as the nature of risks involved in the trading of securities, and specifically those of high-risk securities. Investors may request publicly available information on the Preferred Shares and the Company from the SEC. The risk factors discussed in this section are of equal importance and are only separated into categories for easy reference.

RISKS RELATING TO THE COMPANY'S BUSINESS

All of the Company's business activities are conducted in the Philippines, which exposes the Company to risks associated with the Philippines, including the performance of the Philippine economy.

Historically, the Company has derived primarily all of its revenue from the sale of real estate assets in the Philippines and its business is highly dependent on the state of the Philippine economy. Demand for, and prevailing prices of real estate assets are directly related to the strength of the Philippine economy (including overall growth levels and interest rates), the overall levels of business activity in the Philippines, the overall employment levels in the Philippines and the amount of remittances received from OFs. Historically, the Philippines has periodically experienced economic downturns. For example, the general slowdown of the global economy in 2008 and 2009 had a negative effect on the Philippine economy, which in turn had a negative effect on the Philippine property market as property sales declined.

There is no assurance that there will not be a recurrence of an economic slowdown in the Philippines. Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activity in the Philippines or in the global market;
- decreases in the amount of remittances received from OFs;
- decreases in or changes in consumption habits in the Philippines;
- decreases in property values;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines or in the global market;
- the sovereign credit ratings of the Philippines;
- exchange rate fluctuations;
- a prolonged period of inflation or increase in interest rates;
- changes in the Government's taxation policies;
- natural disasters, including typhoons, earthquakes, fires, floods and similar events;
- political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- other regulatory, political or economic developments in or affecting the Philippines.

There is a degree of uncertainty regarding the economic and political situation in the Philippines. This uncertainty could have adverse effects on the revenues from the Company's business. See "Risks Relating to the Philippines."

To mitigate this risk, the Company intends to further grow its existing Mass Housing revenue base; promote increased home ownership in the Mass Housing segment through the development of financing projects tailored to specific needs, requirements and financial situation of its Mass Housing customers; diversify into new product types to supplement its subdivision and MRB offerings; and increase efficiencies in all facets of its operations and processes. For further discussion, please see page 68],, "Key Strategies".

The Company is exposed to risks associated with its in-house financing activities, including the risk of customer default, and it may not be able to sustain its in-house financing program.

The Company provides a substantial amount of in-house financing to its customers via its CTS Gold program. As a result, and particularly during periods when the unemployment rate rises or when the overall level of overseas remittances decline, the Company faces the risk that a greater number of customers who utilize the Company's in-house financing facilities will default on their payment obligations, which would require the Company to incur expenses such as those relating to sales cancellations and eviction of occupants, additional expenses caused by delinquent accounts, a disruption in cash inflows, risk of holding additional inventory in its balance sheets and reduced finance income.

In addition, in instances where various customer receivables have been given as collateral for the Company's financing arrangements with banks or in instances where sales of receivables are made with recourse to the Company, a default in these receivables would require the Company to either pay down the corresponding balance on the loan, or replace the defaulting receivable with another from its portfolio. There can be no guarantee that the Company will not be asked to pay cash for these defaulting obligations in the future. In such an event, the defaulting receivable would also be assigned back to the Company, and there can also be no guarantee that the Company will be able to resell the Mass Housing unit underlying the receivable easily or at all. If the number of and amount involved in any defaults are significant, the Company's financial position and liquidity may be adversely affected.

Furthermore, the Company's current financing arrangements with banks with respect to CTS Gold loans generally have a tenor of one to five years. If this timeframe expires and the corresponding loan is not taken up by Pag-IBIG, the Company may need to either pay down the balance on the loan, arrange for extensions to the loan, or finance the loan from another source. There can also be no guarantee that the Company will be able to arrange for replacement financing easily or at all. If the number of and amount involved in the loans not taken up by Pag-IBIG are significant, the Company's financial position and liquidity may be adversely affected.

Moreover, other cheaper financing options may become available and if customers choose to obtain financing from other sources, such as banks and other financial institutions, this would result in a decline in the income the Company derives from interest due on in-house financing.

The inability of the Company to sustain its in-house financing activities could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Company relies on its industry experience and in-depth knowledge and understanding of the needs, preferences, means and constraints of the Mass Housing segment customer base. The Company has developed a comprehensive collection platform comprising policies, structures, systems, organizations and mechanisms focused on collection efficiency and the mitigation of payment delinquency. For further discussion, please see page 67 on "Competitive Strengths – Customer-focused product and payment scheme best suited for the Mass Housing market, coupled with effective collection and risk management policies."

The Company's liquidity and financial results are affected by the willingness of various financial institutions, including Pag-IBIG, to process loan take-ups and the expediency by which such financial institutions process these take-ups.

Under its business and operating model, the Company, through its subsidiaries including 8990 HDC, 8990 Luzon, 8990 Davao, 8990 Mindanao, Foghorn, Tondo Holdings, and Euson Realty, typically provides in-house financing to its customers via its CTS Gold financing team upon the initial purchase of a potential home. From time to time, the Company requires the prospective purchaser to apply with Pag-IBIG for take-up of the loan obligation. The Company may also transfer loan portfolios directly to Pag-IBIG on behalf of its customers. Should Pag-IBIG grant the prospective buyer's application, it would then grant a home loan to the prospective buyer (to pay for the purchase price of the Mass Housing unit) and transfer the loan amount to the Company or the subsequent owner of the relevant receivable. However, due to the number of applications pending with Pag-IBIG at any one time, there are often delays in the processing of these loan take-ups. Furthermore, Pag-IBIG may also deny loans for various reasons, such as incomplete documents and insufficient equity ownership (through prior payment of principal), among others. In addition, other factors, such as review of titles by banks that purchase receivables from the Company, may also delay the financing process. Furthermore, if the loans are held as collateral by banks, then the banks need time to pass the titles, which could cause delays. Depending on the degree of any such delays or denials, and the amounts of the loans and number of customers involved, these could have a material adverse effect on the Company's liquidity because the home buyer loans would be retained on the Company's books as receivables and delay its cashflow. Moreover, in the event that Pag-IBIG completely ceases the take-up of these loans, the Company would have to keep these loans for a significant portion of time and may encounter difficulty in selling these loans to other financial institutions. Any of these events may have a material adverse effect on the Company's financial condition and results of operations. See *"– The Company is exposed to risks associated with its in-house financing activities, including the risk of customer default, and it may not be able to sustain its in-house financing program."*

In addition to having its CTS loans taken up by Pag-IBIG and borrowing from banks using the CTS loans as collateral, the Company also from time to time transfers its CTS loans to banks, typically going through a similar procedure as described above for Pag-IBIG. Similarly, there may be delays in the efficient and timely processing of these loan take-ups and the banks may also deny these loans for various reasons. Depending on the degree of any such delays or denials, and the amounts of the loans and number of customers involved, these could have a material adverse effect on the Company's liquidity because the home buyer loans would be retained on the Company's books as receivables and delay its cashflow.

To mitigate this risk the Company maintains strong relationships with key housing and shelter agencies. For further discussion please see page 68 on "Strong relationships with key housing and shelter agencies".

The Company's liquidity and financial results are dependent on the implementation and success of various measures to manage its liquidity risk.

The Company adopts various measures to manage its liquidity risk. For example, the Company developed a comprehensive collection platform comprising policies, structures, systems, organizations and mechanisms focused on collection efficiency and the mitigation of payment delinquency. Also, the Company enters into take-up arrangements with institutions such as Pag-IBIG to monetize its receivables. From time to time, the Company enters into loan arrangements with banks against its receivables portfolio as collateral. The Company sells its receivables to certain banks with recourse. Typically under such arrangements, if take-up by Pag-IBIG does not occur within one to five years of the sale of the receivables, the Company is required to either extend the term or repurchase the receivables. In addition, since 2016, the Company has engaged in the sale of its receivables to banks on a non-recourse basis. Furthermore, the Company has begun to explore possible securitization transactions with respect to a portion of its receivables portfolio. The Company may be left with the riskiest tranche of its receivables portfolio due to this securitization. As the Company has not completed the aforementioned securitization transactions, there can be no guarantee that such transactions will materialize. The Company might not always successfully manage its receivables. The inability to manage its receivables portfolio could lead to a situation where the Company does not have sufficient cash to pay its obligations as they come due or have insufficient cash to meet its expansion strategy. If any of the Company's means of managing its liquidity risks is unsuccessful, the result could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Company relies on its experienced management team with extensive expertise in Mass Housing development.

The real estate industry in the Philippines is capital intensive, and the Company may be unable to readily raise necessary amounts of funding to acquire new land or complete existing projects.

The real estate industry in the Philippines is capital intensive, and market players are required to incur significant expenditures to acquire land for development, complete existing projects and commence construction on new developments. For the years 2014, 2015 and 2016, the Company spent ₱3,619 million, ₱1,455 million and ₱6,779 million, respectively, for land banking expenditures for its real estate development projects. For the six months ended June 30, 2016 and 2017, the Company spent ₱4,134 million and ₱819 million, , respectively, for land banking expenditures for its real estate development projects.

Historically, the Company has funded a significant portion of its capital expenditure requirements as well as steady growth from external sources of financing; however, it may also fund such requirements through other means, such as equity sales, among others, in the future. There can be no assurance that, to complete its planned projects or satisfy its other liquidity and capital resources requirements, the Company will be able to obtain sufficient funds at acceptable rates to fund its capital expenditure requirements, or that it will be able to obtain sufficient funds at all. Failure to obtain the requisite funds could delay or prevent the acquisition of land, completion of old projects or commencement of new projects and materially and adversely affect the Company's business, financial condition and results of operations.

To mitigate this risk, the Company maintains strong relationships with key housing and shelter agencies. It may also obtain financing from capital markets.

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

Sales to OFs, including OFWs and Filipino expatriates, generate a portion of the demand for the Company's housing and land development projects. In addition, unnamed OFWs may provide financial support to named buyers who are located in the Philippines. A number of factors could lead to, among other effects, reduced remittances from OFWs, a reduction in the number of OFs or a reduction in the purchasing power of OFs. These include:

- an appreciation of the Philippine peso, which would result in decreased value of the other currencies transmitted by OFs;
- any difficulties in the repatriation of funds;
- a downturn in the economic performance of the countries and regions where a significant number of these potential customers and supporters are located, such as the United States, the Middle East, Italy, the United Kingdom, Singapore, Hong Kong and Japan;
- a change in Government regulations that currently exempt the income of OFWs from taxation in the Philippines;
- the imposition of restrictions by the Government on the deployment of OFWs to particular countries or regions, such as the Middle East; and restrictions imposed by other countries on the entry or the continued employment of foreign workers.

As an example, the Company believes that the global economic downturn of 2008 resulted in OFW remittances tending to be used for basic family expenses or savings and bank deposits rather than for investing in or purchasing real estate. In addition, turmoil in the Middle East and North Africa have resulted in OFs being repatriated from these regions and losing their steady sources of income. Any of these events could adversely affect demand for the Company's projects from OFs, which could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk the Company relies on Management's extensive experience and in-depth knowledge of the real estate business, particularly in the Mass Housing market. The Company has also adopted strategies, among others, to increase its existing coverage and grow geographically.

The Company's focus on residential housing and land development exposes it to sector-specific risks, including competition in the Philippine residential real estate industry.

The housing market involves significant risks distinct from those involved in the ownership and operation of established properties, including the risk that the Company may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales and which may not be commercially viable. The Company's results of operations are therefore dependent, and are expected to continue to be dependent, on the continued success of its residential and land development projects.

Additionally, the Philippine residential real estate industry is highly competitive. The Company's income from, and market values of, its real estate projects are largely dependent on these projects' popularity when compared to similar types of projects in their areas, as well as on the ability of the Company to correctly gauge the market for its projects. Important factors that could affect the Company's ability to effectively compete include a project's relative location versus that of its competitors, particularly to transportation facilities and commercial centers, the quality of the housing and related facilities offered by the Company, price and payment terms of the project, available financing for the homebuyer and the overall attractiveness of the project. The time and costs involved in commencing or completing the development and construction of residential projects can be affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, natural disasters, labor disputes with contractors and subcontractors, timing of required approvals and the occurrence of other unforeseeable circumstances. Any of these factors could result in project delays and cost overruns, which could negatively affect the Company's revenues and margins. Moreover, failure by the Company to complete construction of a project to its planned specification or schedule may result in contractual liabilities to purchasers and lower returns, all of which could have a material adverse effect on the Company's business, financial condition and results of operations.

For information on how the Company mitigates this risk, please see discussion on Competitive Strengths and Key Strategies on pages 66-69.

Historically low interest rates, expansion in overall liquidity, extensive construction of housing units and other factors could lead to the risk of formation of asset bubbles in real estate.

For the past several years central banks globally, including the BSP, have kept overall interest rates at historically low levels for an extended period of time. This has occurred in conjunction with recent high levels of liquidity in the Philippines owing to strong and growing remittances from OFWs, the expansion of consumer credit provided by banks, the expiry of the BSP's requirement for banks to maintain special deposit accounts and strong inflows of foreign investments, among other factors. In addition, the pace of real estate construction, particularly for housing in and surrounding Metro Manila and other urban areas, has likewise been strong by historical standards. All these have increased the risk that rising prices may not be sustainable, particularly in the real estate sector. If rising prices are not sustained, the result could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is confident in the efforts of the BSP to control inflation and prevent the formation of asset bubbles in real estate. The Company believes that the Mass Housing sector has shown favorable market demographics in recent years and will continue to do so in the medium- to long-term. Consistent with steadily expanding GDP and rising consumption and spending domestically, the Company believes that the growing Philippine workforce is primarily comprised of young individuals with regular cash flows, which will drive continued expansion and growth in the Philippine housing sector. The Company also has an experienced management team to mitigate this risk.

Competition for the acquisition of land for new projects and risks relating to the management of its land bank, including fluctuations in demand and prices, may adversely affect the Company's business.

The Company's future growth and development are dependent, in part, on its ability to acquire additional tracts of land suitable for the Company's future real estate projects. When the Company attempts to locate sites for development, it may experience difficulty locating parcels of land of suitable size in locations and at prices acceptable to the Company, particularly parcels of land located in areas surrounding Metro Manila and in other urban areas throughout the Philippines. Furthermore, land acquired by the Company may have pre-existing tenets or obligations that prevent immediate commencement of new developments. In the event the Company is unable to acquire suitable land at prices and in locations that could translate into reasonable returns, or at all, its growth prospects could be limited and its business and results of operations could be adversely affected.

In addition, the risks inherent in purchasing and developing land increase as consumer demand for residential real estate decreases. The market value of land, subdivision lots and housing inventories can fluctuate significantly as a result of changing market conditions. There can be no assurance that the measures the Company employs to manage land inventory risks will be successful. In the event of significant changes in economic, political, security or market conditions, the Company may have to sell subdivision lots and housing and condominium units at significantly lower margins or at a loss. Changes in economic or market conditions may also require the Company to defer the commencement of housing and land development projects. Any of the foregoing events would have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk the Company relies on Management's extensive experience and a strategy of replenishing its land bank for future developments, selectively acquiring parcels and properties that meet its requirements for potential projects.

There can be no assurance that the Company will not suffer from substantial sales cancellations. The Company faces certain risks related to the cancellation of sales involving its residential projects and, if the Company were to experience a material number of sales cancellations, the Company's historical revenue would be overstated.

As a developer and seller of residential real estate, the Company's business, financial condition and results of operations could be adversely affected in the event a material number of horizontal subdivision, MRB unit or high-rise unit sales are cancelled.

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

While the Company historically has not experienced a material number of cancellations to which the Maceda Law has applied, there can be no assurance that it will not experience a material number of cancellations in the future, particularly during slowdowns or downturns in the Philippine economy. In the event the Company does experience a material number of cancellations, it may not have enough funds on hand to pay the necessary cash refunds to buyers or it may have to incur indebtedness in order to pay such cash refunds. The Company may also experience losses relating to these cancellations. In addition, particularly during an economic slowdown or downturn, there can be no assurance that the Company would be able to re-sell the same property or re-sell it at an acceptable price or at all. Any of the foregoing events would have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, in the event the Company experiences a material number of sales cancellations, the Company's historical revenues would have been overstated because such historical revenue would not have accurately reflected subsequent customer defaults or sales cancellations. As a result, the Company's historical income statements are not necessarily accurate indicators of the Company's future revenue or profits.

To mitigate this risk, the Company relies on its customer-focused product and payment scheme that is best suited for the Mass Housing market, coupled with effective collection and risk management policies. The Company has also adopted a strategy to promote home ownership in the Mass Housing segment by continuing to develop financing products tailored to the specific needs, requirements and financial situation of Mass Housing customers.

The Company may not be able to successfully manage its growth or expansion strategies.

The Company intends to continue to pursue an aggressive growth strategy for its residential property business. To this end, the Company currently has 14 ongoing projects, as of June 30, 2017, and is expecting to launch eight new ones in 2017. The Company's growth strategy for its housing and land development business may require the Company to manage additional relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. This substantial growth in projects will also require significant capital expenditure, which may entail taking on additional debt or equity to finance housing and land development projects.

There can be no assurance that, in the course of implementing its growth strategy, the Company will not experience capital constraints, delays in obtaining relevant licenses and permits, construction delays, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate the expanded business. The Company may also experience delays resulting from its current strategy of engaging a limited number of contractors for its construction operations. See "- Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget." Any inability or failure to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated, if at all. These problems could have a material adverse effect on the Company's reputation and on its business, results of operations or financial condition.

Similarly, the Company intends to further pursue its strategy of expanding its MRB residential developments and high-rise building developments. To this end, the Company intends to construct more MRB developments and complete its first high-rise building development. The Company's strategy to expand these businesses will require the Company to manage additional relationships with third parties such as potential retailers, suppliers and contractors. Moreover, high-rise building development will be a new line of business to the Company. As a result, the Company could encounter various issues that it does not have extensive experience dealing with associated with this business, such as applicable laws relating to commercial rental/tenancy laws and condominium construction and different construction, operational and marketing requirements, among others. There can be no assurance that the Company's continued expansion into MRB developments and new expansion into high-rise building developments will be successful. There can also be no assurance that there will be a market for the Company's high-rise building developments. As a result, the Company's decision to pursue such expansion could have a material adverse effect on the Company's reputation and its business.

The Company believes that its industry experience has equipped it and its management with in-depth knowledge and understanding of the needs, preferences, means and constraints of the Mass Housing segment customer base. The Company also has an experienced management team to mitigate this risk.

Increased inflation, fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.

Interest rates, and factors that affect interest rates, such as the Government's fiscal policy, could have a material adverse effect on the Company and on demand for its products. For example:

- Higher interest rates make it more expensive for the Company to borrow funds to finance ongoing projects or to obtain financing for new projects.

- Because the Company believes that a substantial portion of its customers procure financing (either using the Company's in-house financing program or through banks) to fund their property purchases, higher interest rates make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential projects.
- If Pag-IBIG increases the rates at which it lends to customers, the Company would also need to increase the rates of its in-house financing program due to the in-house financing program's mirroring of Pag-IBIG requirements as part of the Company's strategy for easier off-take by Pag-IBIG.
- If the Government significantly increases its borrowing levels in the domestic currency market, this could increase the interest rates charged by banks and other financial institutions and also effectively reduce the amount of bank financing available to both prospective property purchasers and real estate developers, including the Company.
- The Company's access to capital and its cost of financing are also affected by restrictions, such as single borrower limits, imposed by the BSP on bank lending. If the Company were to reach the single borrower limit with respect to their current or preferred bank or banks, the Company may have difficulty-obtaining financing on the same or similar commercial terms from other banks.
- Increased inflation in the Philippines could result in an increase in raw materials costs, which the Company may not be able to pass on to its customers as increased prices or to its contractors by having the Company's contractors absorb raw material cost increases.

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

To mitigate this risk, the Company relies on its Competitive Strengths and Key Strategies. For further discussion, please refer to pages 66-69.

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

While the Philippines has adopted a system of land registration that is intended to conclusively confirm land ownership and is binding on all persons (including the Government), it is not uncommon for third parties to claim ownership of land that has already been registered and over which a title has been issued. There have also been cases where third parties have produced false or forged title certificates over land. The Company has occasionally had to defend itself against third parties who claim to be the rightful owners of land that has been either titled in the name of the persons selling the land to the Company or that has already been titled in the name of the Company. In the event a greater number of third-party claims are brought against the Company or any such claims involves land that is material to the Company's housing and land development projects, the Company's management may be required to devote significant time and incur significant costs in defending the Company against such claims. In addition, if any such claims are successful, the Company may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material in the context of the Company's housing and land development projects. Any of the foregoing circumstances could have a material adverse effect on the Company's business, financial condition and results of operations, as well as on its business reputation.

To mitigate this risk, the Company undertakes due diligence in the acquisition of parcels of land.

The Company faces risks relating to project cost and completion.

Construction of property projects may take as long as a year or longer before generating positive net cash flow through sales. As a result, the Company's cash flows and results of operations may be significantly affected by its project development schedules and any changes to those schedules. Other factors that could adversely affect the time and the costs involved in completing the development and construction of the Company's projects include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns, unemployment rate, and decreases in business and consumer sentiment in general;
- delays in obtaining government approvals and permits;
- delays in completion of its prior projects, which would create shortages of contractors and skilled labor due to the Company's regular use of a limited number of contractors (see "– Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget.");
- changes in laws or in Government priorities;
- timing of commencement of the projects;
- relocation of existing residents and/or demolition of existing constructions;

- shortages of materials and equipment;
- labor disputes with contractors and subcontractors;
- construction accidents;
- errors in judgment on the selection and acquisition criteria for potential sites;
- lack of familiarity with high-rise projects; and
- other unforeseen problems or circumstances.

Any of these factors could result in project delays and cost overruns, which may harm the Company's reputation as a property developer or lead to cost overruns or loss of or delay in recognizing revenues and lower margins. This may also result in sales and resulting profits from a particular development not being recognized in the year in which it was originally expected to be recognized, which could adversely affect the Company's results of operations for that year. Furthermore, the failure by the Company to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns. The Company cannot provide any assurance that it will not experience any significant delays in completion or delivery of its projects in the future or that it will not be subject to any liabilities for any such delays.

To mitigate this risk, the Company seeks to improve its construction efficiencies in part by adding more mechanization and by standardizing the sizes of its building components.

The Company's reputation will be adversely affected if projects are not completed on time or if projects do not meet customers' requirements.

If any of the Company's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues or otherwise, this could have a negative effect on the Company's reputation and make it more difficult to attract new customers to its new and existing housing and land development projects. Any negative effect on the Company's reputation or its brands could also affect the Company's ability to sell its housing and land development projects. This would impair the Company's ability to reduce its inventory and working capital requirements. The Company cannot provide any assurance that such events will not occur in a manner that would adversely affect its results of operations or financial condition.

To address this risk, the Company's overall business strategy is geared to deliver with speed and quality the right products (a DECA Homes house or Urban DECA Homes MRB unit) to its target customers.

Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget.

The Company relies on independent contractors to provide various services, including land clearing, infrastructure development and various construction projects. In particular, the Company relies mainly on the Megawide Construction Corporation, Lasvazmun and Conmax groups of companies to complete the construction for substantially all of its projects. Should any of the contractors mentioned above become unable to perform with respect to their contracted scope of work, or are unable to expand at sufficiently quick paces needed to meet the Company's demands, there can be no assurance that the Company will be able to find or engage an independent contractor for any particular project or find a contractor that is willing to undertake a particular project within the Company's budget and schedule, which could result in costs increases or project delays.

Furthermore, although the Company's personnel actively supervise the work of such independent contractors, there can be no assurance that the services rendered by any of its independent contractors will always be satisfactory or match the Company's requirements for quality and timing. Contractors may also experience financial or other difficulties up to insolvency, and shortages or increases in the price of construction materials or labor may occur, any of which could delay the completion or increase the cost of certain housing and land development projects, and the Company may incur additional costs as a result thereof. Any of these factors could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Company trains its contractors on the processes used in the construction of its projects. The Company also sends its engineers to oversee critical functions in project construction to ensure the quality of work of its contractors.

The Company uses exclusive external third-party brokers to sell all of its residential housing and land development projects.

The Company uses exclusive external third-party brokers to market and sell all of its residential housing and land development projects to potential customers. If these brokers do not meet their requisite sales targets, the Company's business, financial condition and results of operations could be adversely affected. Moreover, there is competition for the services of third-party brokers in the Philippines and many of the Company's competitors may attempt to recruit brokers away from the Company. If a large number of these third-party brokers were to cease selling for the Company, the Company would be required to seek other external brokers, and there can be no assurance that the Company could do so quickly or in sufficient numbers. Also, negative publicity on the Company's exclusive third-party brokers may spill over and have a negative effect on the Company's reputation. Furthermore, with the passage of R.A. No. 9646 or The Real Estate Service Act of the Philippines and its implementing rules, more stringent requirements are now being imposed in respect of the practice of real estate service, as well as the qualifications and licensing of real estate service practitioners. There can be no assurance that the imposition of these requirements will not affect the real estate service practice of the Company, or its ability to retain its existing third-party brokers or identify new third party brokers. These factors could disrupt the Company's business and negatively affect its financial condition, results of operations and prospects.

To mitigate this risk, all of the unit managers and the agents who constitute the marketing and distribution network of the Company are exclusively contracted by the Company. Furthermore, all unit managers are accredited licensed realtors. The Company trains its marketing teams monthly on topics including new Company policies, product information and terms and conditions of sale.

The Company operates in a highly-regulated environment and it is affected by the development and application of regulations in the Philippines.

The Philippines' housing market is highly regulated. The development of subdivision and other residential projects is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects that are to be located on agricultural land must get clearance from the Philippine Department of Agrarian Reform ("DAR") so that the land can be re-classified as non-agricultural land and, in certain cases, tenants occupying agricultural land may have to be relocated at the Company's expense.

In 2016, an executive order imposing a two-year moratorium on the processing of the applications for the land use conversion of agricultural lands was recommended by DAR to be signed by President Rodrigo R. Duterte ("Pres. Duterte"). The moratorium will allow the preservation of prime agricultural lands and ensure food security. However, to date, the executive order is yet to be signed and issued. It is alleged that the moratorium is facing stiff opposition from Pres. Duterte's economic managers. Once signed, the moratorium may delay the implementation of the Company's proposed projects because the supply of land available for development may be limited. This may further lead to an increase in the acquisition cost of land and the development cost of the Company's projects.

Meanwhile, Presidential Decree No. 957, as amended, ("P.D. 957") and B.P. 220 are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. P.D. 957 and B.P. 220 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which enforces these statutes. Regulations applicable to the Company's operations include standards regarding:

- the suitability of the site;
- road access;
- necessary community facilities;
- open spaces;
- water supply;
- sewage disposal systems;
- electricity supply;
- lot sizes;
- the length of the housing blocks; and
- house construction.

All subdivision development plans are required to be filed with and approved by the local government unit with jurisdiction over the area where the project is located. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities and donation of roadways to and other easements in favor of the relevant government agencies. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit. There can be no assurance that the Company, its Subsidiaries or associates or partners will be able to obtain governmental approvals for its projects or that when given, such approvals will be in accordance with the Company's planned timing for the relevant project and will not be later revoked. Any non-receipt or delay in receipt of approvals could affect the Company's ability to complete projects on time or at all.

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

To mitigate this risk, the Company adopts a strong compliance culture and maintains strong relationships with key housing and shelter agencies and positive relationships with regulatory agencies and local government agencies.

Environmental laws applicable to the Company's projects could have a material adverse effect on its business, financial condition or results of operations.

In general, developers of real estate projects are required to submit project descriptions to regional offices of the Department of Environment and Natural Resources ("DENR"). For environmentally-sensitive projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment ("EIA") may be required and the developer will be required to obtain an Environmental Compliance Certificate ("ECC") to certify that the project will not have an unacceptable environmental impact. There can be no assurance that current or future environmental laws and regulations applicable to the Company will not increase the costs of conducting its business above currently projected levels or require future capital expenditures. In addition, if a violation of an ECC occurs or if environmental hazards on land where the Company's projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the Company's business could have a material adverse effect on its business, financial condition and results of operations.

To mitigate this risk, the Company adopts a strong compliance culture and maintains strong relationships with key housing and shelter agencies and positive relationships with regulatory agencies and local government agencies.

The loss of certain tax exemptions and incentives will increase the Company's tax liability and decrease any profits the Company might have in the future.

The Company benefits from provisions under Philippine law and regulations which exempt sales of residential lots with a gross selling price of ₱1.9 million or less and sales of residential houses and lots with a gross selling price of ₱3.2 million or less from the value-added tax ("VAT") of 12.0%. The threshold amounts were adjusted by the BIR in 2012, and may be further adjusted relative to changes in the Consumer Price Index released by the National Statistics Office of the Philippines.

Last May 31, 2017, House Bill No. 5636 ("HB5636") passed on its third reading at the House of the Representatives. HB5636 aims to lower the rates of taxes imposed on personal income and expand the bases of consumption taxes such as VAT. Under the proposed reform bill, sales of real property utilized for low-cost and socialized housing as defined by Republic Act No. 7279 ("R.A. 7279"), sales of residential lots with a gross selling price of ₱1.9 million or less, and sales of residential houses and lots with a gross selling price of ₱3.2 million or less are no longer exempted from VAT. In the event that HB5636 is enacted into law, the selling prices for the Company's subdivision lots and housing and condominium units may increase, which increase could adversely affect the Company's sales. Because taxes such as VAT are expected to have indirect effects on the Company's results of operations by affecting general levels of spending in the Philippines and the prices of subdivision lots and houses, any adverse change in the Government's VAT-exemption policy could have an adverse effect on the Company's results of operations.

Furthermore, the accreditation of the Company's projects with unit price between ₱450,000 and ₱3,000,000 with the BOI as under the Investment Priorities Plan ("IPP") allows each accredited project to enjoy certain tax incentives. For each accredited project, the Company's sales of low cost subdivision lots and housing units are currently not subject to corporate income tax. Also, the Company's projects with unit price of ₱450,000 and under are considered socialized housing projects and enjoy income tax free status by virtue of R.A. 7279. However, there is no guarantee that the Company's future development projects will be able to benefit from the income tax holiday described above, or that accreditation to receive such benefit will not be delayed. In the event of delays, sales prior to receipt of approval may be taxed. The delay or absence of this income tax holiday on any of the Company's future development projects could have an adverse effect on the Company's results of operations.

Under R.A. 7279, the Company is required to construct a certain number of Socialized Housing units for each project that intends to receive BOI accreditation. This requirement is measured in the form of a ratio test between the number of Socialized Housing units for the project and the number of Economic Housing units for that same project. The Company does not have the same experience with developing Socialized Housing units as it does with developing Economic Housing units and may incur greater costs and/or not achieve comparable levels of success in its development of Socialized Housing units. Furthermore, Socialized Housing units have lower profit margins for the Company than Economic Housing units. If, due to regulatory changes, the Company is required to increase its ratio of Socialized Housing unit construction, then the Company's business, financial condition and results of operations may be adversely affected.

The impending imposition of VAT on low-cost and Socialized Housing may cause the Company to suffer even lower profit margins from constructing Socialized Housing units. As mentioned above, in the event that HB5636 is enacted into law, an additional 12% VAT will be added to price of the Socialized Housing unit, but the Company cannot adjust the price in excess of the ₱450,000 ceiling prescribed under R.A. 7279. Moreover, as the Company is required under R.A. 7279 to develop Socialized Housing, the Company cannot refuse compliance and raise its lower profit margins. Therefore, the Company will necessarily have to absorb the extra cost brought about by a removal of their present VAT exemption.

For information on how the Company mitigates this risk, please see discussion on Competitive Strengths and Key Strategies on pages 66-69.

Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Company's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's housing and land development projects, many of which are large, complex estates with infrastructure, such as buildings, roads and perimeter walls, which are susceptible to damage. Damage to these structures resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers for physical injuries or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect the Company's business, financial condition and results of operations.

While the Company carries all-risks insurance during the project construction stage and requires all of its purchasers to carry fire insurance, the Company does not carry any insurance for certain catastrophic events, and there are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Neither does the Company carry any business interruption insurance. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from such property, while remaining liable for any project construction costs or other financial obligations related to the property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

For information on how the Company mitigates this risk, please see discussion on Competitive Strengths and Key Strategies on pages 66-69.

Construction defects and other building-related claims may be asserted against the Company, and the Company may be subject to liability for such claims.

Philippine law provides that property developers, such as the Company, warrant the structural integrity of houses that were designed or built by them for a period of 15 years from the date of completion of the house. The Company may also be held responsible for hidden (*i.e.*, latent or non-observable) defects in a house sold by it when such hidden defects render the house unfit for the use for which it was intended or when its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. This warranty may be enforced within six months from the delivery of the house to the buyer. In addition, Republic Act No. 6541, as amended, or the National Building Code of the Philippines (the "Building Code"), which governs, among others, the design and construction of buildings, sets certain requirements and standards that must be complied with by the Company. The Company or its officials may be held liable for administrative fines or criminal penalties in case of any violation of the Building Code.

There can be no assurance that the Company will not be held liable for damages, the cost of repairs, and/or the expense of litigation surrounding possible claims or that claims will not arise out of uninsurable events, such as landslides or earthquakes, or circumstances not covered by the Company's insurance and not subject to effective indemnification agreements with the Company's contractors. Neither can there be any assurance that the contractors hired by the Company will be able to either correct any such defects or indemnify the Company for costs incurred by the Company to correct such defects. In the event a substantial number of claims arising from structural or construction defects arise, this could have a material adverse effect on the Company's reputation and on its business, financial condition and results of operations.

To mitigate this risk, the Company endeavors to have foreseeable risks covered by the Company's insurance, to the extent possible and practicable. The Company's engineers also monitor its general contractors to ensure that all construction work is according to the project specifications and work inspection is conducted before any progress billing is approved. Furthermore, the Company also retains 10% of the project cost for a specified period to cover for any construction defect or other liability on the part of the contractor.

The Company has a number of related-party transactions with affiliated companies.

The companies controlled by the 8990 Majority Shareholders have a number of commercial transactions with the Company. The Company had entered into a number of transactions with its related parties, which primarily consist of advances and reimbursements of expenses and sale and purchase of real estate properties and development and installment contract receivables and related other assets and assumption of related liabilities.

The transactions referred to above are described under "Related Party Transactions" and the notes to the Company's consolidated financial statements appearing elsewhere in this Prospectus. The Company expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with the 8990 Majority Shareholders. These transactions may involve potential conflicts of interest which could be detrimental to the Company and/or its stakeholders. Conflicts of interest may also arise between the Company and the 8990 Majority Shareholders in a number of other areas relating to its businesses, including:

- Major business combinations involving the Company and/or its Subsidiaries;
- Plans to develop the respective businesses of the Company and/or its Subsidiaries; and
- Business opportunities that may be attractive to the 8990 Majority Shareholders and the Company.

The Company can provide no assurance that its related-party transactions will not have a material adverse effect on its business or results of operations.

To mitigate this risk, the related-party transactions are made on arms-length basis.

8990 is a holding company that depends on dividends and distributions from the Subsidiaries.

8990 is a holding company and conducts no independent business operations other than providing certain corporate and other support services to the Subsidiaries. 8990 conducts substantially all of its operations through the Subsidiaries. Substantially all of its assets are held by, and substantially all of its earnings and cash flows are attributable to, the Subsidiaries. 8990's liquidity, ability to pay interest and expense, meet obligations, provide funds to its Subsidiaries and distribute dividends are dependent upon the flow of funds from the Subsidiaries. There can be no assurance that the Subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to 8990 to enable it to meet its own financial obligations.

The ability of the Subsidiaries to pay dividends is subject to applicable laws and restrictions contained in debt instruments of such Subsidiaries and may also be subject to deduction of taxes. No assurance can be given that 8990 will have sufficient cash flow from dividends to satisfy its own financial obligations. Any shortfall would have to be made up from other sources of revenue, such as a sale of investments, or financing available to the Company, which could materially and adversely affect the Company's business, financial condition and results of operations.

For more information on how the Company intends to maintain the strong results of operations and financial position of the Company please see discussion on Competitive Strengths and Key Strategies on pages 66-69.

The Company is highly dependent on the continued service of its directors, members of senior management and other key officers.

The Company's directors, members of its senior management, and other key officers have been an integral part of its success, and the experience, knowledge, business relationships and expertise that would be lost should any such persons depart could be difficult to replace and may result in a decrease in the Company's operating efficiency and financial performance. Key executives and members of management of the Company include Luis N. Yu, Jr., Mariano D. Martinez, Jr., and Januario Jesus Gregorio III B. Atencio. If the Company loses the services of any such person and is unable to fill any vacant key executive or management positions with qualified candidates, or if the qualified individual takes time to learn the details of the Company, the Company's business and results of operations may be adversely affected.

On 31 July 2017, Mr. Atencio announced his retirement as President and CEO of the Company effective 1 January 2018. Notwithstanding his retirement as President and CEO, Mr. Atencio will remain as Director of the Company even after his retirement. The Board shall elect a new President and CEO before the effectivity of Mr. Atencio's retirement. To provide the Company sufficient time to find a suitable replacement, afford such replacement time to learn the details of the Company, and ensure a smooth transition, Mr. Atencio will serve as President and CEO until 31 December 2017.

The Company believes it maintains a positive relationship with its directors, members of senior management and other key officers.

The Company may be unable to attract and retain skilled professionals, such as architects, engineers and third party contractors.

The Company's ability to plan, design and execute current and future projects depends on its ability to attract, train, motivate and retain highly skilled personnel, particularly architects, engineers and third party contractors. The Company believes that there is significant demand for such personnel not only from its competitors but also from companies outside the Philippines, particularly companies operating in the Middle East. Any inability on the part of the Company in hiring and, more importantly, retaining qualified personnel could impair its ability to undertake project design, planning and execution activities in-house and could require the Company to incur additional costs by having to engage third parties to perform these activities.

The Company believes it maintains a positive relationship with its architects, engineers and third party contractors. To attract and retain skilled professionals, the Company also provides a competitive compensation and benefits package.

Any deterioration in the Company's employee relations could materially and adversely affect the Company's operations.

The Company's success depends partially on the ability of the Company, its contractors and its third party marketing agents to maintain productive workforces. Any strikes, work stoppages, work slowdowns, grievances, complaints or claims of unfair practices or other deterioration in the Company's, its contractors' or its third party marketing agents' employee relations could have a material and adverse effect on the Company's financial condition and results of operations.

The Company believes it maintains a positive relationship with its employees through established organizational and employee policies and procedures that promote a good working environment and company culture.

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

The Company may, from time to time, be involved in disputes with various parties involved in the construction and operation of its properties, including contractual disputes with contractors, suppliers, construction workers and homeowners or property damage or personal liability claims. Regardless of the outcome, these disputes may lead to legal or other proceedings and may result in substantial costs, delays in the Company's development schedule, and the diversion of resources and management's attention. The Company may also have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavorable decisions that result in penalties and/or delay the development of its projects. In such cases, the Company's business, financial condition, results of operations and cash flows could be materially and adversely affected.

To mitigate this risk, the Company shall endeavor to amicably settle the legal proceedings and exhaust all legal remedies available.

Disruptions in the financial markets could adversely affect the Company's ability to refinance existing obligations or raise additional financing, including equity financing.

Disruptions in the global financial markets in 2008 and 2009 resulted in a tightening of credit markets worldwide, including in the Asia Pacific region. Liquidity in the global and regional credit markets severely contracted as a result of these market disruptions, making it difficult and costly to refinance existing obligations or raise additional financing, including equity financing. While liquidity has increased and credit markets have improved since then, there can be no assurance that such conditions will not reoccur. If such conditions reoccur, it may be difficult for the Company to obtain additional financing on acceptable terms or at all, which may prevent the Company from completing its existing projects and future development projects and have an adverse effect on the Company's results of operations and business plans. If due to general economic conditions, the Company is unable to obtain sufficient funding to complete its projects in a feasible manner, or if management decides to abandon certain projects, all or a portion of the Company's investments to date on its projects could be lost, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The incurrence of additional debt to finance the Company's planned development projects could impair the Company's financial condition, results of operations and cash flows. The Company may need to incur additional debt to finance its expansion projects and future development projects. This indebtedness could have important consequences for the Company. For example, it could:

- make it more difficult for the Company to satisfy its debt obligations as they become due;
- increase the Company's vulnerability to general adverse economic and industry conditions;
- impair the Company's ability to obtain additional financing in the future for working capital needs, capital expenditures, development projects, acquisitions or general corporate purposes;
- require the Company to dedicate a significant portion of its cash flow from operations to the payment of principal and interest on its debt, which would reduce the funds available for the Company's working capital needs, capital expenditures or dividend payments;
- limit the Company's flexibility in planning for, or reacting to, changes in the business and the industry in which the Company operates;
- require the Company to comply with financial and other covenants that could impose significant restrictions on the Company's existing and future businesses and operations;
- place the Company at a competitive disadvantage compared to competitors that have less debt; and
- subject the Company to higher interest expense in the event of increases in interest rates as a significant portion of the Company's debt is and may continue to be at variable rates of interest.

Any of the above could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

For information on how the Company intends to maintain its business, strong financial conditions, results of operations and cash flows, please see discussion on Competitive Strengths and Key Strategies on pages 66-69.

RISKS RELATING TO THE PHILIPPINES

Any political instability in the Philippines may adversely affect the Company.

The Philippines has from time to time experienced severe political and social instability. The Philippine Constitution provides that, in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately owned public utility or business. In the last few years, there has been political instability in the Philippines, including impeachment proceedings against two former presidents and the chief justice of the Supreme Court of the Philippines, hearings on graft and corruption issues against various government officials, and public and military protests arising from alleged misconduct by previous and current administrations.

There can be no assurance that political violence will not occur in the future, and any such events could negatively impact the Philippine economy. An unstable political environment, whether due to the impeachment of government officials, imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting, could negatively affect the general economic conditions and operating environment in the Philippines, which could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the Company may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that impose vehicular volume reduction programs.

No assurance can be given that the political environment in the Philippines will remain stable and any political instability in the future could reduce consumer demand, or result in inconsistent or sudden changes in regulations and policies that affect the Company's business operations, which could have an adverse effect on the results of operations and the financial condition of the Company.

There is no guarantee that future events will not cause political instability in the Philippines. Such instability may disrupt the country and its economy, as well as commercial traffic into and out of the Philippines, which could materially and adversely affect the Company's business, financial condition and results of operations. Acts of terrorism, clashes with separatist groups and violent crimes could destabilize the country and could have a material adverse effect on the Company's business and financial condition.

The Philippines has been subject to a number of terrorist attacks in the past several years. In recent years, the Philippine military has been in armed conflict with extremist militants, which have ties with international terrorist groups, and have been responsible for terrorist activities including armed intrusions in several cities or municipalities and isolated bombings, mainly in regions in the southern part of the Philippines. On May 23, 2017, the government declared martial law throughout Mindanao after extremist militants assaulted and occupied portions of the City of Marawi. Martial Law in Mindanao is proposed to be extended until the end of 2017, beyond the 60-day limit prescribed by the Constitution.

These continued conflicts between the Government and separatist groups, and attacks from terrorist groups could lead to further injuries or deaths by civilians and members of the policy and military, which could destabilize parts of the country and adversely affect the country's economy. Any such destabilization could cause interruption to parts of the Company's business and materially and adversely affect its financial conditions, results of operations and prospects. An increase in the frequency, severity or geographic reach of these terrorist acts could destabilize the Philippines and adversely affect the country's economy.

While it has various properties and projects in Mindanao, the Company believes that it is not adversely affected by the ongoing conflict in Marawi. The Company's projects nearest to Marawi are in General Santos City and its nearest land bank is in Davao City, which are more than 300 and 250 kilometers away from Marawi, respectively.

Territorial and other disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

The Philippines, China and several Southeast Asian nations have been engaged in a series of long standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. In 2013, due to rising tensions arising from a dispute between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal, the Philippines filed a case before the Permanent Court of Arbitration, to legally challenge China's claim in the West Philippine Sea and resolve the dispute under the United Nations Convention on the Law of the Sea ("UNCLOS"). In July 2016, the tribunal constituted by the Permanent Court of Arbitration rendered a decision upholding the exclusive sovereign rights over the West Philippine Sea and that China's "nine-dash-line" claim, which covered nearly all of the West Philippine Sea, is invalid. Under the administration of President Rodrigo R. Duterte, the Philippine government has taken measures to ease tensions with China which was brought about by the two countries' territorial dispute.

Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines and its economy may be disrupted and the Company's operations could be adversely affected as a result. In particular, further disputes between the Philippines and other countries may lead to reciprocal trade restrictions on the other's imports or suspension of visa-free access and/or OFW permits. Any impact from these disputes in countries in which the Company has operations could materially and adversely affect the Company's business, financial condition and results of operations.

Investors may face difficulties enforcing judgments against the Company.

It may be difficult for investors to enforce judgments against the Company obtained outside of the Philippines. In addition, most of the directors and officers of the Company are residents of the Philippines, and all or a substantial portion of the assets of such resident directors and officers are located in the Philippines. As a result, it may be difficult for investors to effect service of process upon such persons, or to enforce against them judgments obtained in courts or arbitral tribunals outside the Philippines predicated upon the laws of jurisdictions other than the Philippines.

The Philippines is party to the United Nations Convention on the Enforcement and Recognition of Arbitral Awards, though it is not party to any international treaty relating to the recognition or enforcement of foreign judgments. Nevertheless, the Philippine Rules of Civil Procedure provide that a judgment or final order of a foreign court is, through the institution of an independent action, enforceable in the Philippines as a general matter, unless there is evidence that: (i) the foreign court rendering judgment did not have jurisdiction; (ii) the judgment is contrary to the laws, public policy, customs or public order of the Philippines; (iii) the party against whom enforcement is sought did not receive notice; or (iv) the rendering of the judgment entailed collusion, fraud, or a clear mistake of law or fact.

The sovereign credit ratings of the Philippines may adversely affect the Company's business.

Historically, the Philippines' sovereign debt has been rated relatively low by international credit rating agencies. Although the Philippines' long-term foreign currency-denominated debt was recently upgraded by each of Standard & Poor's, Fitch Ratings and Moody's to investment-grade, no assurance can be given that Standard & Poor's, Fitch Ratings or Moody's or any other international credit rating agency will not downgrade the credit ratings of the Government in the future and, therefore, Philippine companies. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

RISKS RELATING TO THE PREFERRED SHARES

The Preferred Shares may not be a suitable investment for all investors

Each potential investor in the Preferred Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Preferred Shares, the merits and risks of investing in the Preferred Shares and the information contained in this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Preferred Shares and the impact the Preferred Shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Preferred Shares, including where the currency for principal or dividend payments is different from the currency of the potential investor;
- understand thoroughly the terms of the Preferred Shares and be familiar with the behavior of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Company's Shares are subject to Philippine foreign ownership limitations.

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

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

Redemption at the option of the Issuer

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

The sale of the Preferred Shares or any rights thereto prior to the listing of the Preferred Shares cannot be made through the PSE. The Company has filed an application for the listing of the Preferred Shares on the PSE.

Prior to the listing of the Preferred Shares to the PSE, the sale of subscription rights to the Preferred Shares may be treated as sale of shares and subject to documentary stamp tax, capital gains tax (on any gain derived from the sale thereof) or donor's tax (in case of donation or sale of the subscription rights to the Preferred Shares for a price below the fair market value of the subscription rights).

Volatility of market price of the Preferred Shares

The market price of the Preferred Shares could be affected by various factors, including:

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

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

Additional Taxes

The sale, exchange or disposition of the Preferred Shares after the Offer Period, if made outside the facilities of the PSE is subject to capital gains tax and documentary stamp tax, and if made through the facilities of the PSE (except for a dealer in securities) is subject to stock transaction tax. Changes in laws, rules and regulations may result in additional taxes on the acquisition, disposition, or transfer of the Preferred Shares. For a discussion on the taxes currently imposed by the Bureau of Internal Revenues of the Philippines ("BIR"), please refer to the section on "Taxation" on pages 48 of the Prospectus.

Deferral of dividend payment

Dividends on the Preferred Shares may not be paid or the Company may pay less than full dividends, under the terms and conditions governing the Preferred Shares. Holders of the Preferred Shares will not receive dividends on a Dividend Payment Date or for any period during which the Company does not have retained earnings out of which to pay dividends.

Subordination to other indebtedness of the Company

The obligations of the Company under the Preferred Shares are unsecured and are subordinated obligations to all of the indebtedness of the Company. The rights and claims of holders of the Preferred Shares will (subject to the extent permitted by law) rank senior to the holders of the Common Shares of the Company and *pari passu* with the other preferred shares.

In the event of the winding-up of the Company, the Preferred Shares rank junior in right of payment to all indebtedness of the Company and junior in right of payment to securities of, or claims against, the Company which rank or are expressed to rank senior to the Preferred Shares. There is a substantial risk that an investor in the Preferred Shares will not receive any return of the principal amount or any unpaid amounts due under the terms of the Offer unless 8990 can satisfy in full all of its other obligations ranking senior to the Preferred Shares.
There are no terms in the Preferred Shares that limit the ability of 8990 to incur additional indebtedness, including indebtedness that ranks senior to or pari passu with the Preferred Shares.

Insufficient distributions upon liquidation

Upon any voluntary or involuntary dissolution, liquidation or winding up of 8990, holders of Preferred Shares will be entitled only to the available assets of the Company remaining after the indebtedness of 8990 is satisfied. If any such assets are insufficient to pay the amounts due on the Preferred Shares, then the holders of the Preferred Shares shall share ratably in any such distribution of assets in proportion to the full distributions to which they would otherwise be respectively entitled.

Subordination of payments to the Holders of the Preferred Shares

8990 has and will continue to have a certain amount of outstanding indebtedness. The current terms of the financing agreements of 8990 contain provisions that could limit the ability of the Company to make payments to the holders of the Preferred Shares. Also, 8990 may in the future, directly or indirectly through its subsidiaries, enter into other financing agreements which may restrict or prohibit the ability of the Company to make payments on the Preferred Shares. There can be no assurance that existing or future financing arrangements will not adversely affect the ability of 8990 to make payments on the Preferred Shares.

Liquidity of the securities market

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

In addition, the Company and the Underwriters are not obligated to create a trading market for the Preferred Shares and any such market making will be subject to the limits imposed by applicable law, and may be interrupted or discontinued at any time without notice. Accordingly, the Company cannot predict whether an active or liquid trading market for the Preferred Shares will develop or if such a market develops, if it can be sustained. Consequently, a shareholder may be required to hold his Preferred Shares for an indefinite period of time or sell them for an amount less than the Offer Price.

Effect of non-payment of dividends

If dividends on the Preferred Shares are not paid in full, or at all, the Preferred Shares may trade at a lower price than they might otherwise have traded if dividends had been paid. The sale of Preferred Shares during such a period by a holder of Preferred Shares may result in such holder receiving lower returns on the investment than a holder who continues to hold the Preferred Shares until dividend payments resume. In addition, because of the dividend limitations, the market price for the Preferred Shares may be more volatile than that of other securities that do not have these limitations.

Inability to reinvest at a similar return on investment upon redemption

On the Optional Redemption Date or at any time redemption occurs, 8990 may redeem the Preferred Shares at the Redemption Price, as described in "Description of the Securities." At the time of redemption, interest rates may be lower than at the time of the issuance of the Preferred Shares and, consequently, the holders of the Preferred Shares may not be able to reinvest the proceeds at a comparable interest rate or purchase securities otherwise comparable to the Preferred Shares.

Limited voting rights

Holders of Preferred Shares will not be entitled to elect the Board of Directors of the Company. Except as specifically set forth in the Amended Articles of Incorporation and as provided by Philippine law, holders of Preferred Shares will have no voting rights (see "Description of the Securities" on page 60).

TAXATION

The following is a general description of certain Philippine tax aspects of the investment in the Preferred Shares. This discussion is based on laws, regulations, rulings, income tax conventions (tax treaties), administrative practices and judicial decisions in effect at the date of this Prospectus, and is subject to any changes in law occurring after such date. Subsequent legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to an investor, or to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rates

This general description does not purport to be a comprehensive description of the Philippine tax aspects of the investments in shares and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing the shares under applicable tax laws of other applicable jurisdictions and the specific tax consequence in light of particular situations of acquiring, owning, holding and disposing the shares in such other jurisdictions.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE PREFERRED SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL AND NATIONAL TAX LAWS.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines; a non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien engaged in trade or business in the Philippines;" otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not engaged in trade or business in the Philippines." A "resident foreign corporation" is a foreign corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a non-Philippine corporation not engaged in trade or business within the Philippines.

The term "non-resident holder" means a holder of the Company's shares:

- who is an individual who is neither a citizen nor a resident of the Philippines or an entity which is a non-resident foreign corporation; and

- should a tax treaty be applicable, whose ownership of the Company's shares is not effectively connected with a fixed base or a permanent establishment in the Philippines.

CORPORATE INCOME TAX

Republic Act No. 8424, as amended, or the National Internal Revenue Code (the "Philippine Tax Code"), generally subjects a domestic corporation to a tax of 30% of its taxable income from all sources within and outside the Philippines except, among others, (i) gross interest income from currency bank deposits and yield from deposit substitutes, trust funds and similar arrangements as well as royalties from sources within the Philippines which are generally taxed at the lower final withholding tax rate of 20% of the gross amount of such income; (ii) interest income from a depository bank under the expanded foreign currency deposit system which is subject to a final tax rate of 7.5% of such income, (iii) capital gains tax from sales of shares of stock not traded in the stock exchange which are taxed at a rate of 5% on gains up to ₱100,000 and 10% on gains in excess of the first ₱100,000, and (iv) capital gains realized from the sale, exchange or disposition of lands and buildings, which is subject to a final tax of 6%.

A minimum corporate income tax of 2% of the gross income as of the end of the taxable year is imposed on a domestic corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the ordinary income tax for the taxable year.

Nevertheless, any excess of the minimum corporate income tax over the ordinary corporate income tax shall be carried forward and credited against the latter for the three immediately succeeding taxable years. Further, subject to certain conditions, the minimum corporate income tax may be suspended with respect to a corporation which suffers losses on account of a prolonged labor dispute, *force majeure* or legitimate business reasons.

TAX ON DIVIDENDS

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to a final withholding tax at the rate of 10%. Cash and property dividends received from a domestic corporation by domestic corporations or resident foreign corporations are not subject to tax.

Cash and property dividends received from a domestic corporation by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20% final withholding tax on the gross amount thereof.

Cash and property dividends received from a domestic corporation by non-resident alien individuals not engaged in trade or business in the Philippines are subject to a final withholding tax at 25% of the gross amount but may be subject to the applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals provided that a prior application for tax treaty relief has been properly filed with the appropriate office of the Philippine tax authorities. (But please see discussion below on BIR Revenue Memorandum Order No. 27-2016 regarding tax treaty relief applications.) A non-resident alien who comes to the Philippines and stays in the country for an aggregate period of more than 180 days during any calendar year will be deemed a non-resident alien engaged in trade or business in the Philippines.

Cash and property dividends received from a domestic corporation by a non-resident foreign corporation are generally subject to a final withholding tax at the rate of 30%, which may be reduced to 15% (under the tax sparing rules) when the country in which the non-resident foreign corporation is domiciled (i) imposes no taxes on foreign–sourced dividends or (ii) allows a 15% or greater credit against the tax due from the non-resident foreign corporation taxes deemed to have been paid in the Philippines. Alternatively, non-resident foreign corporations may avail themselves of the preferential tax rates applicable to cash and property dividends received from a domestic corporation under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign corporations provided that a prior application for a tax treaty relief has been properly filed with the appropriate office of the Philippine tax authorities.

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

	Dividends (%)	Stock transaction tax on sale or disposition effected through the PSE(%)(12)	Capital gains tax due on disposition of shares outside the PSE (%)
Canada	25(1)	0.5	May be exempt(9)
China.................................	15(2)	0.5	May be exempt(9)
France	15(3)	0.5	May be exempt(9)
Germany	15(4)	0.5	5/10(10)
Japan	15(5)	0.5	May be exempt(9)
Singapore	25(6)	0.5	May be exempt(9)
United Kingdom	25(7)	0.5	Exempt(11)
United States......................	25(8)	0.5	May be exempt(9)

(1) *15% if the recipient company controls at least 10% of the voting power of the company paying the dividends.*

(2) *10% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends*.

(3) *10% if the recipient company (excluding a partnership) holds directly at least 10% of the voting shares of the company paying the dividends.*

(4) *10% if the recipient company (excluding a partnership) owns directly at least 25% of the capital of the company paying the dividends.*

(5) *10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends.*

(6) *15% if during the part of the paying company's taxable year which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company.*

(7) *15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends.*

(8) *20% if during the part of the paying corporation's taxable year which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation. Notwithstanding the rates provided under the Republic of the Philippines-United States Treaty, residents of the United States may avail themselves of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.*

(9) *Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.*

(10) *Under the tax treaty between the Philippines and Germany, capital gains from the alienation of shares of a Philippine corporation may be taxed in the Philippines irrespective of the nature of the assets of the Philippine corporation. Tax rates are 5% on the net capital gains realized during the taxable year not in excess of ₱100,000 and 10% on the net capital gains realized during the taxable year in excess of ₱100,000.*

(11) *Under the tax treaty between the Philippines and the United Kingdom, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.*

(12) *Exempt if the stock transaction tax is expressly covered by the applicable tax treaty or is deemed by the relevant authorities as an identical or substantially similar tax to the Philippine income tax. In BIR Ruling No. ITAD 22-07 dated February 9, 2007, the BIR held that the stock transaction tax cannot be considered as an identical or substantially similar tax on income, and, consequently, ruled that a Singapore resident is not exempt from the stock transaction tax on the sale of its shares in a Philippine corporation through the PSE.*

Stock dividends distributed pro-rata to any holder of shares of stock are not subject to Philippine income tax. A stock dividend constitutes income if it gives the shareholder an interest different from that which his former stockholdings represented. A stock dividend does not constitute income if the new shares confer no different rights or interest than did the old.

Any availment of tax treaty relief should be preceded by an application for tax treaty relief filed with the International Tax Affairs Division of the BIR as required under the BIR Revenue Memorandum Order No. 72-2010, including any clarification, supplement or amendment thereto and, once available, a BIR-certified certificate, ruling or opinion addressed to the relevant applicant or shareholder confirming its entitlement to the preferential tax rate under the applicable treaty. The current requirements for a tax treaty relief application in respect of capital gains tax on the sale of shares are set out in the applicable tax treaty and in BIR Form No. 0901-C. The BIR has prescribed, through administrative issuances, certain procedures for the availment of preferential tax rates or tax treaty relief.

If the regular tax rate is withheld by the paying corporation instead of the reduced rates applicable under a tax treaty, the nonresident holder of the shares may file a claim for refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information, and may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund.

On June 23, 2016, the BIR issued BIR Revenue Memorandum Order No. 27-2016 ("RMO 27-2016"), which amends BIR Revenue Memorandum Order No. 72-2010. RMO 27-2016 provides that in lieu of filing a tax treaty relief application, preferential treaty rates for dividends, interests and royalties shall be granted outright by withholding final taxes at the applicable treaty rate. As of the date of this Prospectus, the effectivity of RMO 27-2016 has been suspended.

SALE, EXCHANGE OR DISPOSITION OF SHARES

Capital Gains Tax, if sale was made outside the PSE

Unless an applicable treaty exempts such gains from tax or provides for preferential rates, the net capital gains realized by a resident or non-resident (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock (*i.e.* secondary sale of common shares by the holder to another party) outside the facilities of the PSE are subject to capital gains tax of 5% on gains not exceeding ₱100,000 and 10% on the gains over ₱100,000. If an applicable tax treaty exempts the gains from tax, an application for tax treaty relief must be properly filed with the Philippine tax authorities and should precede any availment of an exemption under a tax treaty.

The transfer of shares shall not be recorded in the books of a company, unless the BIR certifies that the capital gains and documentary stamp taxes relating to the sale or transfer have been paid, or where applicable, a tax treaty relief has been confirmed by the International Tax Affairs Division of the BIR or other conditions have been met.

Taxes on Transfer of Shares Listed and Traded at the PSE

Unless an applicable treaty exempts the sale from income and/or percentage tax, a sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder (other than a dealer in securities), is subject to a stock transaction tax at the rate of one-half of 1% (or 0.5%) of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed. This tax is required to be collected by and paid to the Philippine Government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax in lieu of a capital gains tax. Under certain tax treaties, the exemptions from capital gains tax discussed herein may not be applicable to stock transaction tax.

In addition, value added tax ("VAT") of 12% is imposed on the commission earned by the PSE-registered broker from services provided in connection with the sale of shares. VAT is generally passed on to the client.

Prospective purchasers of the Preferred Shares should obtain their own tax advice in respect of their investment in relation to these developments.

Documentary Stamp Tax

The original issue of shares of stock is subject to documentary stamp tax ("DST") of ₱1 for each ₱200, or a fractional part thereof, of the par value of the shares of stock issued. The DST on the issuance of the Preferred Shares shall be paid by the Company.

The secondary transfer of shares of stock outside the facilities of the PSE is subject to a documentary stamp tax of ₱0.75 for each ₱200, or a fractional part thereof, of the par value of the share of stock transferred. The DST is imposed on the person making, signing, issuing, accepting or transferring the document and is thus payable by the vendor or the purchaser of the shares. However, the sale, barter or exchange of shares of stock listed and traded at the PSE is exempt from documentary stamp tax.

In addition, the borrowing and lending of securities executed under the securities borrowing and lending program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority, are likewise exempt from DST. However, the securities borrowing and lending agreement should be duly covered by a master securities borrowing and lending agreement acceptable to the appropriate regulatory authority, and should be duly registered and approved by the BIR.

Estate and Donor's Tax

Shares issued by a corporation organized under Philippine laws are deemed to have a Philippine *situs*, and any transfer thereof by way succession or donation, even if made by a non-resident decedent or donor outside the Philippines, is subject to Philippine estate and donor's tax, respectively.

The transfer of shares of stock upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, is subject to Philippine estate taxes at progressive rates ranging from 5% to 20%, if the net estate is over ₱200,000. On the other hand, individual stockholders, whether or not citizens or residents of the Philippines, who transfer shares of stock by way of gift or donation are liable to pay Philippine donor's tax on such transfer of shares ranging from 2% to 15% of the net gifts during the calendar year exceeding ₱100,000. The rate of tax with respect to net gifts made by an individual holder to a stranger (*i.e.*, one who is not a brother, sister, spouse, ancestor, lineal descendant or relative by consanguinity within the fourth degree of relationship) is a flat rate of 30%. Donations between business organizations, and between individuals and business organizations are considered donations made to a stranger. Corporate registered holders are also liable for Philippine donors tax on such transfers, but the rate of tax with respect to net gifts made by corporate registered holders is always at a flat rate of 30.0%.

The sale, exchange or transfer of shares outside the facilities of the PSE may also be subject to donor's tax when the fair market value of the shares of stock sold is greater than the amount of money received by the seller. In this case, the excess of the fair market value of the shares of stock sold over the amount of money received as consideration shall be deemed a gift subject to donor's tax.

Estate and donor's tax, however, shall not be collected in respect of intangible personal property, such as shares of stock: (a) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

TAXATION OUTSIDE THE PHILIPPINES

Shares of stock in a domestic corporation are considered under Philippine law as situated in the Philippines and the gain derived from their sale is entirely from Philippine sources; hence such gain is subject to Philippine income tax and the transfer of such shares by way of donation (gift) or succession is subject to Philippine donor's or estate taxes, respectively as stated above.

The tax treatment of a non-resident holder of shares of stock in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations on non-resident holders of shares of stock under laws other than those of the Philippines.

USE OF PROCEEDS

The use of proceeds for the subsequent tranches of the Offer shall be set out in the relevant Offer Supplement.

The net proceeds of the Series A Preferred Shares will be used to refinance existing debt obligations of the Company and its Subsidiary, 8990 Housing Development Corporation ("8990 Housing"). The net proceeds will be infused into 8990 Housing as equity through the subscription by the Company of additional shares in 8990 Housing, which subscription shall be effective upon the availability of the proceeds of the Offer.

The Company expects to raise gross proceeds amounting to ₱5,000,000,000.00 and the net proceeds are estimated to be at least ₱4,947,588,375.00 after deducting fees, commissions and expenses relating to the issuance of the Offer Shares. In the event that less than the estimated net proceeds are obtained, the use of the proceeds will still be for repayment of existing indebtedness with the balance to be repaid by the Company using internally generated funds.

The Company incurred significant expenditures to acquire land for the development of new Mass Housing projects. To partially fund these activities, the Company obtained and secured financing, partial payment for which the Company intends to be funded from the net proceeds of the Offer.

BDO Unibank Inc. ("BDO"), Bank of the Philippine Islands ("BPI"), Philippine National Bank ("PNB"), China Banking Corporation ("China Bank"), China Bank Savings, Inc. ("CBS"), Asia United Bank Corporation ("AUB"), and Security Bank Corporation ("Security Bank") are the lenders of the loans that are expected to be repaid with the net proceeds of the Offer.

Bank	**Borrower**	**Credit Line Amount**	**Interest Rate**	**Outstanding Balance (as of October 30, 2017)**	**Period/ Validity[2]**	**Amount Allotted from the Proceeds (in PhP)**	**% of total**	**Date of Disbursement**
BDO	8990	1,000,000,000	3.00%	324,699,000	1/28/2018	316,949,000	6%	December 2017
BDO	8990	1,000,000,000	3.00%	657,200,000	1/28/2018	657,200,000	13%	December 2017
BPI	8990 Housing	1,000,000,000	4.00%	126,391,453	11/30/2017	126,391,453	3%	December 2017
PNB	8990 Housing	3,000,000,000	4.00%	252,000,000	11/29/2017	252,000,000.00	5%	December 2017
China Bank	8990 Housing	2,000,000,000	3.25%	1,926,226,669	11/30/2017	1,375,047,922	28%	December 2017
CBS	8990	500,000,000	4.00%	500,000,000	10/31/2017	500,000,000	10%	December 2017
AUB	8990 Housing	1,000,000,000	3.13%	1,000,000,000	3/18/2018	1,000,000,000	20%	December 2017
SBC	8990	1,500,000,000	3.13%	720,000,000	3/6/2018	720,000,000	15%	December 2017
Total						**4,947,588,375**		

The Underwriter is a subsidiary of China Banking Corporation, which is among the lenders of the loans that will be repaid with the proceeds of this Offer. The Company has no outstanding loans with China Bank Capital, and none of the proceeds of the Offer will be used to repay any loan with the Underwriter.

The proceeds of the loans were used (a) to pay the balance of the acquisition cost of the 120 hectares of land located across Las Pinas City, Quezon City, Manila City, Cebu, Bacolod, and Iloilo; (b) to pay for the acquisition cost of Primex Corp. whose sole asset consists of 44 hectares of land in Meycauayan, Bulacan[3].

[2] The loans from BDO, BPI and CBS maturing in October 2017 will be rolled over for 30 days upon maturity.
[3] As of 20 September 2017, the application for a Certificate Authorizing Registration covering the Primex Corp. shares remains pending with the Bureau of Internal Revenue.

The table below shows the status of the development of the properties and the target completion of the projects. The acquisition of the properties below has been completed.

Location	Buyer	Area (in HA)	Cost (in PhP)	Date of Acquisition	Status of the Property/Development	Project Type	Target Completion
			LUZON				
Alabang Zapote Road, Brgy. Pamplona, Las Pinas City	8990 Housing	3.40	858,965,500.00	21-Apr-16	Fenced and guarded/ On-going design phase/ Processing of permits	Urban Deca Homes	Y2018-2025
Litex Road, Commonwealth QC	8990 Housing	2.00	121,128,000.00	12-Jul-16	Fenced and guarded/ On-going design phase/ Processing of permits	Urban Deca Homes	Y2018-2025
Brgy. Old Balara, QC	8990 Housing	17.60	527,622,000.00	30-Sep-16	Fenced and guarded/ On-going design phase/ Processing of permits	Urban Deca Homes	Y2018-2026
Mendiola/Otis Property	8990 Housing	2.80	2,100,000,000.00	25-April-16	Fenced and Guarded	Urban Deca Homes	Y2022-2028
Meycauayan, Bulacan	8990 Housing	44.00	950,000,000.00	22-Dec-16	Fenced and guarded/ On-going design phase/ Processing of permits	Urban Deca Homes	Y2018-2026
			VISAYAS				
AS Fortuna, Banilad, Cebu	8990 Housing	1.80	339,984,000.00	4-Nov-16	Fenced and Guarded	Urban Deca Homes	Y2019-2026
Granada, Bacolod	8990 Housing	62.00	177,500,000.00	28-Dec.16	Fenced and guarded/ On-going design phase/ Processing of permits	Deca Homes	Y2018-2027
San Miguel, Ilo-ilo	8990 Housing	30.40	206,760,430.00	1-Feb-16	Fenced and guarded/ On-going design phase/ Processing of permits	Deca Homes	Y2018-2026
Total Land Acquisitions for 2016		**164.00**	**5,281,959,930.00**				

Based on the Offer Price of ₱100.00 per Offer Share, the total proceeds from this Offer, the estimated total expenses for this Offer and the estimated net proceeds from this Offer will be:

Total proceeds from the Offer..	**₱5,000,000,000**
Expenses	
Underwriting and selling fees for the Series A Preferred Shares (including fees to be paid to the Underwriter)	₱39,475,000
SEC registration and legal research fees	₱1,830,625

PSE Registration and Listing Fees	₱5,656,000
Estimated professional fees (including legal, accounting, and financial advisory fees)	₱4,000,000
Documentary Stamp Taxes	₱250,000
Others	
Roadshow Expenses	₱300,000
Stock Transfer Agency Expenses	₱240,000
Receiving Agency Expenses	₱350,000
Advertising Expenses	₱310,000
Total estimated expenses	₱52,411,625
Estimated net proceeds from the Offer	**₱4,947,588,375**

The proposed use of proceeds described above represents a best estimate of the use of the net proceeds of the Offer based on the Company's current plans and expenditures. The actual amount and timing of disbursement of the net proceeds from the Offer for the use stated above will depend on various factors. Once the Company receives the net proceeds from the Offer, it shall apply the same to settle its existing indebtedness as discussed above, but to the extent that such net proceeds from the Offer are not immediately applied to the above purpose, the Company will invest the net proceeds in interest-bearing short term demand deposits and/or money market instruments. Aside from underwriting and selling fees, the Underwriter will not receive any of the net proceeds from the Offer.

In the event of any material deviation or adjustment in the planned use of proceeds, the Company shall inform its shareholders, the SEC and the PSE in writing at least 30 days before such deviation or adjustment is implemented. Any material or substantial adjustments to the use of proceeds, as indicated above, will be approved by the Company's Board of Directors and disclosed to the SEC and the PSE. In addition, the Company shall submit via the PSE EDGE the following disclosures to ensure transparency in the use of proceeds:

(i) any disbursements made in connection with the planned use of proceeds from this Offer;

(ii) Quarterly Progress Report on the application of the proceeds from this Offer on or before the first 15 days of the following quarter; the Quarterly Progress Report should be certified by the Company's Chief Financial Officer or Treasurer and external auditor;

(iii) annual summary of the application of the proceeds on or before January 31 of the following year; the annual summary report should be certified by the Company's Chief Financial Officer or Treasurer and external auditor;

(iv) approval by the Company's Board of Directors of any reallocation on the planned use of proceeds, or of any change in the work program; the disbursement or implementation of such reallocation must be disclosed by the Company at least 30 days prior to the actual disbursement or implementation; and

(v) a comprehensive report on the progress of its business plans on or before the first 15 days of the following quarter.

The quarterly and annual reports required in items (ii) and (iii) above must include a detailed explanation of any material variances between the actual disbursements and the planned use of proceeds in the work program or the Prospectus, if any. The detailed explanation must also state that the Company's Board of Directors has given its approval as required in item (iv) above.

The Company shall submit an external auditor's certification on the accuracy of the information reported by the Company to the PSE in the Company's quarterly and annual reports as required in items (ii) and (iii) above.

DILUTION

The Preferred Shares will generally not have any dilutive effect on the rights of the holders of the common shares of the Company as the Preferred Shares are non-voting, non-convertible and non-participating. However, holders of the Preferred Shares may vote on matters which the Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the Articles of Incorporation.

Thus, the issuance of the Preferred Shares may have a dilutive effect on the rights of the holders of the common shares to the extent of the voting rights to be exercised in relation to the following acts requiring the approval of the shareholders representing at least two-thirds (or majority in case of an amendment of the By-Laws) of the issued and outstanding capital stock of the Company:

- Amendment of the Articles of Incorporation (including any increase or decrease of capital stock);
- Adoption and amendment of By-Laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the Company;
- Incurring, creating or increasing bonded indebtedness;
- Increase or decrease of capital stock;
- Merger or consolidation of the Company with another corporation or corporations;
- Investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized; and
- Dissolution of the Company.

As of September 30, 2017, the Corporation has 5,517,990,720 issued and outstanding common shares of which 1,387,833,178 common shares (equivalent to 25.15%) are owned by the public. Upon completion of the Offer, the Corporation shall have 5,517,990,720 issued and outstanding common shares and 50,000,000 issued and outstanding preferred shares.

DETERMINATION OF THE OFFER PRICE

The details of the Determination of the Offer Price for the subsequent tranche of the Offer shall be set out in the relevant Offer Supplement.

The Offer Price of ₱100.00 is at a premium to the par value of the Offer Shares, which is ₱1.00 per share. The Offer Price was arrived at by dividing the desired gross proceeds of ₱5,000,000,000.00, by the number of Offer Shares allocated for this Offering.

PLAN OF DISTRIBUTION

For subsequent tranches of the Preferred Shares, the Plan of Distribution will be set out in the relevant Offer Supplement.

8990 plans to issue the Offer Shares to institutional and retail investors in the Philippines through a public offering to be conducted through the Underwriters. The Offer does not include an international offering.

The detailed plan of distribution and underwriting arrangements for each subsequent tranche of the Offer shall be as set out in the relevant Offer Supplement.

UNDERWRITER

The Underwriter has agreed to distribute and sell the Offer Shares at the Offer Price, pursuant to an Underwriting Agreement with the Company dated November 9, 2017 (the "Underwriting Agreement"). Subject to the fulfillment of the conditions provided in the Underwriting Agreement, the Underwriter has committed to underwrite the following amount on a firm basis:

Underwriter	Underwriting Commitment	Number of Shares
China Bank Capital Corporation	₱5,000,000,000.00	50,000,000
Total	**₱5,000,000,000.00**	**50,000,000**

The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to the Company of the net proceeds of the Offer Shares.

The underwriting fees and any selling fees to be paid by the Company in relation to the Offer shall be equivalent to 0.7895% of the gross proceeds of the Offer. This shall be inclusive of underwriting fees to be paid to the Underwriter and any commissions to be paid to the selling agents, which shall be equivalent to 0.125% (inclusive of VAT) of the total proceeds of the sale of the Offer Shares by such Trading Participant.

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

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

The Underwriter has no contract or other arrangement with the Company by which it may return to the Company any unsold Offer Shares that form part of the Offer.

China Bank Capital Corporation, a subsidiary of China Bank, provides a wide range of investment banking services to clients across different sectors and industries. Its primary business is to help enterprises raise capital by arranging or underwriting debt and equity transactions, such as project financing, loan syndications, bonds and notes issuances, securitizations, initial and follow-on public offerings, and private equity placements. The Underwriter also advises clients on structuring, valuation, and execution of corporate transactions, including mergers, acquisitions, divestitures, and joint ventures. It was established and licensed as an investment house in 2015 as the spin-off of China Bank's investment banking group, which was organized in 2012.

SALE AND DISTRIBUTION

The distribution and sale of the Offer Shares shall be undertaken by the Underwriter who shall sell and distribute the Offer Shares to third party buyers/investors. The Underwriter is authorized, in its sole discretion, to organize a syndicate of co-lead managers, co-managers and/or Selling Agents for the purpose of the Offer. In connection with the foregoing, the Underwriter may enter into agreements, participation agreements or like agreements with other co-lead managers or co-managers (who may be named or have been named herein) and/or Selling Agents, as necessary. There is nothing in such agreements that allow the Underwriter to return to the Company any unsold underwritten Offer Shares.

Of the 50,000,000 Offer Shares subject of the Offer, 80% or 40,000,000 Offer Shares are being offered through the Underwriter for subscription and sale to Qualified Institutional Buyers and the general public. The Company plans to allot 20% or 10,000,000 Offer Shares for distribution to respective clients of the 132 Trading Participants of the PSE, acting as Selling Agents. Each trading participant shall be allocated 75,700 Offer Shares (computed by dividing the Offer Shares allocated to the trading participants by 132), subject to reallocation as may be determined by the Underwriter. The balance of 7,600 shares shall be allocated by the Underwriter among the Trading Participants that have demand in excess of 75,700 Offer Shares. Trading Participants may undertake to purchase more than their allocation of 75,700 Offer Shares. Any requests for Offer Shares in excess of the 75,700 Offer Shares may be satisfied via the reallocation of any Offer Shares not taken up by other Trading Participants.

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

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

TERM OF APPOINTMENT

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

MANNER OF DISTRIBUTION

The Underwriter shall, at its discretion, determine the manner by which proposals for subscriptions to, and issuances of, the Offer Shares shall be solicited, with the sale of the Offer Shares to be effected only through the Underwriter. The Underwriter has been authorized to appoint other entities, in particular, co-lead managers, co-managers and/or Selling Agents, to sell on their behalf.

EXPENSES

All out-of-pocket expenses, including but not limited to, registration with the SEC, printing, publication, communication and signing expenses incurred by the Underwriter in the negotiation and execution of the transaction will be for the account of the Company irrespective of whether the transaction contemplated herein is completed. Such expenses are to be reimbursed upon presentation of a composite statement of account. For a more detailed discussion on this matter, see "Use of Proceeds" in this Prospectus.

DESCRIPTION OF THE SECURITIES

The following does not purport to be a complete listing of all the rights, obligations, or privileges of the Preferred Shares. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective investors are enjoined to carefully review the Articles of Incorporation, By-Laws and resolutions of the Board of Directors and Shareholders of the Company, the information contained in this Prospectus, the Share Agreements and other agreements relevant to the Offer. Prospective Shareholders are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the Preferred Shares.

Set forth below is information relating to the Preferred Shares. This description is only a summary and is qualified by reference to Philippine law and the Amended Articles of Incorporation and Amended By-laws of the Company, as may be amended from time to time.

Share Capital

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

The Company has an authorized capital stock of ₱7,000,000,000.00 consisting of 6,900,000,000 Common Shares with a par value of ₱1.00 per Common Share and 100,000,000 non-voting, non-convertible, non-participating, redeemable, perpetual preferred shares with a par value of ₱1.00 per preferred share.

The Issuance of the Preferred Shares

On November 7, 2016 and July 25, 2017, the Board of Directors of the Company unanimously approved the creation and listing of the Preferred Shares under a shelf registration to be issued within a period of three (3) years with an initial tranche of 50,000,000 Preferred Shares. On January 31, 2017, the stockholders approved and ratified the creation of the Preferred Shares under the shelf registration and delegated to the Board of Directors the authority to determine the final terms and conditions of the issuance of any tranche thereof, through the approval of the relevant enabling resolutions (the "Enabling Resolutions"). The SEC approved the Company's amended articles of incorporation creating the Preferred Shares on April 19, 2017.

On September 21, 2017, the Board of Directors unanimously approved the Enabling Resolutions outlining the specific terms and conditions of the Offer Shares. On November 9, 2017, the Board of Directors confirmed the Divided Rate for the Offer Shares. The Enabling Resolutions covering the Offer Shares were approved by the SEC on October 20, 2017.

The Company has filed an application for the listing of the Preferred Shares on the PSE. The PSE approved the listing of the Offer Shares on the Main Board of the PSE on November 8, 2017. The PSE approval does not cover the entire 100,000,000 Preferred Shares that are under shelf registration but covers only the 50,000,000 Offer Shares pertaining to the first tranche. Once the Preferred Shares are listed on the PSE, the Company may purchase the Preferred Shares, then tradeable at that time, at any time in the open market or by public tender or by private contract at any price through the PSE.

Shelf Registration and Features of the Preferred Shares

In accordance with the Amended Articles of Incorporation of the Company and as approved by the Board of Directors of the Company through the Enabling Resolutions, the Preferred Shares are Philippine Peso-denominated, cumulative, non-voting, non-participating and non-convertible, each with different features on dividend rate, redemption and adjustment of dividend rate. The number of Preferred Shares to be allocated to each subseries shall be determined by the Board of Directors of the Company. The Company can issue the Preferred Shares only upon full payment by the subscribers of the subscription price for the said shares which shall be ₱100.00 per share.

The Preferred Shares shall be issued under a shelf registration, with the specific terms of each tranche of the Offer to be determined by the Company taking into account prevailing market conditions at the time of sale and shall be set out in the relevant Offer Supplement.

The Preferred Shares have a par value of ₱1.00 per share and with the following general features (for the specific terms of the Preferred Shares please refer to the "Terms of the Offer" in the Offer Supplement of the relevant issue tranche):

(a) **Dividends** – The Board of Directors shall have the sole discretion to declare dividends on the Preferred Shares, provided that the Company has unrestricted retained earnings, and provided that the rate of dividend or formula for determining the same rate shall be indicated in the relevant Enabling Resolutions.

Dividends, if and when declared by the Board of Directors, will be payable once for every Dividend Period on such date set by the Board of Directors at the time of declaration of such dividends (each a "Dividend Payment Date") with reference to the Offer Price, which date shall be any day within the period commencing on (and including) the last day of a Dividend Period and 15 calendar days from the end of the relevant Dividend Period. A "Dividend Period" shall refer to the period commencing on the relevant issue date and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding the first day of the immediately succeeding Dividend Period; provided that, the first Dividend Period of the Preferred Shares shall be the period commencing on the relevant issue date and ending on the last day of the then current dividend period for the outstanding Preferred Shares.

The holders of the Preferred Shares shall not be entitled to any participation or share in the retained earnings remaining after dividend payment shall have been made on the shares as aforementioned, nor shall they be entitled to any other kind of dividend payment whether cash, property, or stock, other than corresponding to the dividend rate determined by the Board of Directors.

For the terms of the dividend rights on the Preferred Shares, please see "Terms of the Offer" in the Offer Supplement of the relevant issue tranche.

(b) **Non-Convertible** - The Preferred Shares are not convertible into common shares.

(c) **Redemption** – The Company has the option, but not the obligation, to redeem all (but not part) of the Preferred Shares at such manner and at a price and time that the Board of Directors shall determine in the Enabling Resolutions for such series of preferred shares. The Preferred Shares, when redeemed, shall not be considered retired and may be re-issued by the Company at a price to be determined by the Board of Directors.

As and if declared by the Board of Directors, the Company may redeem the Preferred Shares on the redemption price determined therefor. The terms of any redemption will be set out in the relevant Offer Supplement.

The Company has not established, and currently has no plans to establish, a sinking fund for the redemption of the Preferred Shares.

For a more detailed discussion, please see "Terms of the Offer" in the Offer Supplement of the relevant issue tranche.

(d) **Liquidation** – In the event of a return of capital in respect of liquidation, dissolution, bankruptcy or winding up of the affairs of the Company but not on a redemption or purchase by the Company of any of its share capital, the holders of the Preferred Shares at the time outstanding will be entitled to receive, in Philippine Pesos, out of the assets of the Company available for distribution to shareholders, together with the holders of any other shares of the Company ranking, as regards repayment of capital, *pari passu* with the Preferred Shares and before any distribution of assets is made to holders of any class of shares ranking after the Preferred Shares as regards repayment of capital, liquidating distributions in an amount equal to the Arrears in Dividends, any dividends declared unpaid in respect of the previous dividend period, and any accrued and unpaid dividends for the then current dividend period to (and including) the date of commencement of the Issuer's winding up or the date of any such other return of capital, as the case may be. If, upon any return of capital in the winding up of the Company, the amount payable with respect to the Preferred Shares are not paid in full, the holders of such shares will share proportionately in any such distribution of the assets of the Company in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Preferred Shares will have no right or claim to any of the remaining assets of the Company and will not be entitled to any further participation or return of capital in a winding up.

(e) **Voting Rights** – Holders of the Preferred Shares shall not be entitled to vote except in cases expressly provided by law. Thus, the holders of the Preferred Shares are not eligible, for example, to vote for or elect the Board of Directors of the Company. Holders of the Preferred Shares, however, may vote on matters which the Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the Articles of Incorporation, such as the following:-

- Amendment of the Articles of Incorporation (including any increase or decrease of capital stock);
- Adoption and amendment of By-laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the Company;
- Incurring, creating or increasing bonded indebtedness;
- Increase or decrease of capital stock;
- Merger or consolidation of the Company with another corporation or corporations;

- Investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized; and
- Dissolution of the Company.

(f) Pre-emptive Rights – Holders of the Preferred Shares, shall have no pre-emptive right to any issue or disposition of any share of any class of the Company.

Other Rights and Incidents Relating to the Preferred Shares

The other rights and incidents relating to the Preferred Shares, which may also apply to other classes of shares of the Company, are as follows:

Derivative Suit

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

Appraisal Rights

The Corporation Code grants a shareholder a right of appraisal in certain circumstances where he has dissented and voted against a proposed corporate action, including:

- an amendment of the articles of incorporation which has the effect of adversely affecting the rights attached to his shares or of authorizing preferences in any respect superior to those of outstanding shares of any class or shortening the term of corporate existence;
- the sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all of the assets of the corporation;
- the extension of corporate term;
- the investment of corporate funds in another corporation or business for any purpose other than the primary purpose for which the corporation was organized; and
- a merger or consolidation.

In these circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value which, in default of agreement, is determined by three (3) disinterested persons, one of whom shall be named by the shareholder, one (1) by the corporation, and the third by the two (2) thus chosen. The SEC will, in the event of a dispute, determine any question about whether a dissenting shareholder is entitled to this right of appraisal. The dissenting shareholder will be paid if the corporate action in question is implemented and the corporation has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting shareholders.

Shareholders' Meetings

At the annual meeting or at any special meeting of shareholders of the Company, holders of the Preferred Shares may be asked to approve actions which the Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the Articles of Incorporation.

Quorum

In all regular and special meetings of stockholders, a quorum will exist if shareholders representing a majority of the capital stock are present in person or by proxy.

Voting

Holders of the Preferred Shares shall not be entitled to vote except in cases expressly provided by law. At any such shareholders' meeting where holders of the Preferred Shares are allowed to vote, each holder of the Preferred Shares shall be entitled to vote in person, or by proxy, all shares held by him which have voting power, upon any matter duly raised in such meeting.

The By-laws of the Company provide that proxies shall be in writing and signed and in accordance with the existing laws, rules and regulations of the SEC. Duly accomplished proxies must be submitted to the office of the Corporate Secretary not later than ten days prior to the date of the shareholders' meeting.

Fixing Record Dates

The Board of Directors has the authority to fix in advance the record date for shareholders entitled: (a) to notice of, to vote at, or to have their votes voted at, any shareholders' meeting; (b) to receive payment of dividends or other distributions or allotment of any rights; or (c) for any lawful action or for making any other proper determination of shareholders' rights. The Board of Directors may, by resolution, direct the stock transfer books of the Company be closed for a period not exceeding 20 days. If the stock and transfer books be closed for the purpose of determining stockholders entitled to notice of, or to vote at, a meeting of stockholders, such books shall be closed for at least ten (10) working days, immediately preceding such meeting. In lieu of closing the stock and transfer books, the Board may fix in advance a date as a record date which shall in no case be more than thirty (30) days prior to the date of such stockholders' meeting.

Accounting and Auditing Requirements/Rights of Inspection

Philippine stock corporations are required to file copies of their annual financial statements with the SEC. Corporations whose shares are listed on the PSE are also required to file quarterly and annual reports with the SEC and the PSE. Shareholders are entitled to request copies of the most recent financial statements of the corporation which include a statement of financial position as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain.

The Board of Directors is required to present to shareholders at every annual meeting a financial report of the operations of the corporation for the preceding year. This report is required to include audited financial statements.

Changes in Control

There is no provision in the Amended Articles of Incorporation and Amended By-laws of the Company which would delay, deter or prevent a change in control of the Company. There are no existing arrangements to which the Company is a party or which are otherwise known to the Company that may result in a change in control of the Company.

INTEREST OF NAMED EXPERTS

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Preferred Shares which are subject of this Offer shall be passed upon by SyCip Salazar Hernandez & Gatmaitan ("SyCip") for the Underwriters and by Picazo Buyco Tan Fider & Santos Law Offices ("Picazo") for the Company. SyCip and Picazo have no direct or indirect interest in 8990, although Atty. Cristina S. Palma Gil-Fernandez, who is the Corporate Secretary of the Issuer is also a Partner at Picazo and Atty. Maureen Christine O. Lizarondo-Medina, the Assistant Corporate Secretary of the Issuer, is a Senior Associate at Picazo. SyCip and Picazo may, from time to time be engaged by 8990 to advise in its transactions and perform legal services on the same basis that SyCip and Picazo provide such services to its other clients.

INDEPENDENT AUDITORS

Punongbayan & Araullo (for 2016) and SGV & Co. (for 2015 and 2014), independent auditors, audited the consolidated statements of financial position as of December 31, 2016, 2015 and 2014, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2016. Punongbayan & Araullo and SGV & Co. have no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and Professional Regulation Commission.

The aggregate fees billed by Punongbayan & Araullo (for 2016) and SGV & Co (for 2015 and 2014) are shown below:

	(Amount in thousands of Pesos)		
	2016	**2015**	**2014**
Audit and Audit Related Fees	₱5,600	₱11,550	₱9,350

There is no arrangement that experts will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

BUSINESS

OVERVIEW

The Company is the top property developer in the Philippines for 2015, in terms of take-out value from the HDMF. The Company has been developing Mass Housing Projects in high-growth areas across the Visayas, Mindanao and Luzon since 2003. In doing so, the Company has benefited significantly from the industry experience of its Principals who, prior to the establishment of the Company's Subsidiaries and through certain 8990 Related Companies, developed their first Mass Housing project in 1991 in Cagayan de Oro. The Company has built a reputation of providing quality and affordable homes to consumers in the fast-growing Philippine Mass Housing market. The Company's DECA Homes, Urban DECA Homes, and Urban DECA Towers brands have also gained a strong reputation in the market, resulting in the Company garnering numerous awards such as Best Low Cost Housing Developer (National) awarded last March 2017 by Q Asia's Seal of Product and Quality Service, Top 10 Developers in the Philippines in 2015 & 2016 by BCI Asia, 2016 Outstanding Developer Low Rise Mass Housing by FIABCI-Philippines, 2015 Best Mid-Cap Firm in the Philippines by Finance Asia, and 2015 Prestigious Seal Awardee for Best Developer in Low-Cost Housing by Gawad Sulo Foundation. As of June 30, 2017, the Company has completed at least 52 Mass Housing projects and is developing another 14 Mass Housing, MRB and high-rise projects. Across these completed and ongoing projects, the Company has, since 2003, sold more than 50,000 units, with approximately 31,000 additional units available for development and sale from ongoing projects. The Company also has an identified pipeline of 8 projects scheduled to commence in 2017 and which in total are expected to provide approximately 47,000 units available for sale.

The Company believes that its industry experience has equipped it with the ability to understand the needs, preferences, means and circumstances of consumers in the Philippine Mass Housing market. The Company offers an affordable pricing and payment model, and has developed its CTS Gold in-house financing program to cater to Mass Housing market Filipino consumers who do not have the accumulated savings to pay high down payments for homes but have sufficient recurring income to support monthly amortization payments. Under this program, customers only pay a minimal down payment and can quickly move into their chosen homes. The Company retains ownership of such homes until full payment is made by the customer. The CTS Gold program is further strengthened by the Company's strong relationship with Pag-IBIG, the primary Government agency providing housing financial assistance to Filipinos through the long-established Pag-IBIG housing loan program. The Company has structured the CTS Gold program, in particular the CTS Gold Convertible product, such that the requirements for such product generally mirror the requirements for availing of a Pag-IBIG home loan. This essentially facilitates the take-up by Pag-IBIG of such loans upon application for by customers, converting receivables of the Company into cash and lessening the financing and other risks appurtenant to potential buyer defaults.

Consistent with the Company's thrust of providing quality and affordable housing units to its customers, the Company also introduced a pre-cast construction process which enables it to construct and complete residences ready for move-in much faster than under the conventional concrete cinder block method. Through this process, the Company is able to construct townhouses and single-storey attached units in just eight to ten ("10") days, with an additional five days for single-storey houses with lofts. The use of this process also allows the Company to realize significant cost savings and enables it to turn over units to its customers in a fast and efficient way.

In addition to horizontal Mass Housing subdivision projects, the Company also develops MRB condominium projects. The Company's first MRB Mass Housing project started in Cebu in 2012. Similar MRB projects in Metro Manila started in 2015. The Company plans to develop other MRB projects in other urban areas.

The Company has ventured into high-rise condominium projects in the highest density urban areas of Metro Manila. The buildings are intended be situated in dense urban neighborhoods with easy access to major transportation routes/facilities and within easy distance of major white-collar employment centers (i.e., central business districts). Making use of the "Micro Living" concept, Urban DECA Towers is envisioned to provide weekday accommodation for low- to mid-income commuters who typically have a two- to four-hour daily commute between their places of work and homes in the outlying neighborhoods of Metro Manila, resulting in savings in transportation time and costs that would accrue to the condominium unit residents.

In 2014, 2015, and 2016, the Company recorded consolidated revenues amounting to ₱7,657.3 million, ₱9,279.7 million, and ₱9,271.3 million respectively, with resulting net income of ₱3,307.0 million, ₱3,722.5 million, and ₱3,575.0 million respectively. For the six months ended June 30, 2016 and 2017, the Company recorded consolidated revenues amounting to ₱4,735.3 million and ₱3,041.5 million respectively.

The following table outlines the contribution of the subsidiaries of the Company to its consolidated revenues and net income:

	For the years ended December 31,		For the years ended December 31,		For the years ended December 31,	
	2014		*2015*		*2016*	
Subsidiary	***Revenue***	***Net Income***	***Revenue***	***Net Income***	***Revenue***	***Net Income***
8990 Housing	38.49%	28.59%	44.70%	46.47%	50.31%	67.14%
8990 Luzon	33.39%	30.28%	34.77%	37.95%	16.61%	14.93%
8990 Mindanao	0.00%	8.91%	1.56%	1.34%	6.38%	6.72%
8990 Davao	18.35%	17.93%	12.78%	18.08%	11.95%	11.44%
8990 Leisure	0.00%	0.00%	0.00%	-0.04%	0.00%	-0.01%
Fog Horn	9.76%	14.29%	6.16%	4.92%	11.46%	15.20%
Tondo Holdings	0.00%	0.00%	0.00%	-0.33%	3.29%	1.94%
Euson	0.00%	0.00%	0.03%	0.01%	0.00%	-0.11%
RLC Coastal Estates Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	-0.07%

COMPETITIVE STRENGTHS

The Company considers the following to be its principal competitive strengths:

Favorable market and industry demographics of the Mass Housing sector.

The Company believes that the Mass Housing sector has shown favorable market demographics in recent years and will continue to do so in the medium- to long-term. Consistent with steadily expanding GDP and rising consumption and spending domestically, the Company believes that the growing Philippine workforce is primarily comprised of young individuals with regular cash flows, which will drive continued expansion and growth in the Philippine housing sector. According to the "The Housing Industry Road Map of the Philippines: 2012-2030," and the "Impact of Housing Activities on the Philippine Economy, " publicly available reports by the Center for Research and Communication – University of Asia & the Pacific ("CRC-UA&P") and the SHDA, from 2001 to 2015, a total of 1,943,587 Mass Housing units were built; during this same period, however, the backlog for new Mass Housing units was approximately 6,667,614 units. In addition, by 2030 the total housing need in the Philippines is expected to increase to approximately 12.3 million units.

The Company believes that it is squarely positioned to capitalize on the existing housing need and growing demand for Mass Housing in the Philippines. This is borne out by the Company's attractive business model of quick construction and roll-out of quality finished houses with affordable monthly amortizations. The Company typically rolls out its horizontal housing developments in phases of up to 200 houses, with a typical phase being completely rolled out after around two months from start of construction. While construction is ongoing, the Company also simultaneously conducts its marketing and sales campaigns, including reservation and processing of homebuyer applications. Given that the Company is serving a need-based market segment within which there is significant demand for housing supply, a substantial number of units are pre-sold prior to completion of construction. This has resulted in strong sales growth recorded by the Company in recent years.

Leading Mass Housing developer with established track record and brands for the underserved Mass Housing segment.

The Company is the top property developer in the Philippines for 2015, in terms of take-out value from the HDMF. In 2003, the Company launched its projects under the DECA Homes brand. As of June 30, 2017, the Company has completed at least 52 Mass Housing projects and is developing another 14 Mass Housing, MRB and high-rise projects. Across these completed and ongoing projects, the Company has, since 2003, sold more than 50,000 units, with approximately 31,000 additional units available for development and sale from ongoing projects. As a result of this track record, the Company has built a reputation of providing quality and affordable homes to consumers in the fast-growing Philippine Mass Housing market, resulting in the Company garnering numerous awards such as Best Low Cost Housing Developer (National) awarded last March 2017 by Q Asia's Seal of Product and Quality Service, Top 10 Developers in the Philippines in 2015 & 2016 by BCI Asia, 2016 Outstanding Developer Low Rise Mass Housing by FIABCI-Philippines, 2015 Best

Mid-Cap Firm in the Philippines by Finance Asia, and 2015 Prestigious Seal Awardee for Best Developer in Low-Cost Housing by Gawad Sulo Foundation.

The Company believes that it is one of the few developers dedicated to serving the housing needs of the Mass Housing segment throughout the Philippines, with most of its direct competitors being smaller regional developers with limited geographical coverage. This has allowed the Company to build significant nationwide brand equity for its DECA Homes and Urban DECA Homes brands across its target market and also achieve economies of scale from its operations.

Customer-focused product and payment scheme best suited for the Mass Housing market, coupled with effective collection and risk management policies.

The Company believes that its industry experience has equipped it and its management with in-depth knowledge and understanding of the needs, preferences, means and constraints of the Mass Housing segment customer base. The Company continuously undertakes demographic analysis of its customer base, which helps in developing products and payment schemes that a re in line with the needs and lifestyles of its target customers. The Company believes that sustainable affordability is critical in serving the Mass Housing segment. Accordingly, the Company tailors the house area, lot area and locations of its developments to deliver housing products where the monthly amortization payments are affordable for its target customers when compared to monthly rental payments for comparable housing units, hence allowing a smooth transition from home rental to ownership. Furthermore, the Company's innovative CTS Gold financing program typically requires a relatively small upfront payment (normally 3% of the purchase price of the unit, compared to approximately 10% to 20% equity down payment generally required by other developers). This allows home buyers to purchase and move into a house without material effect on their savings. Fast and efficient processing under the CTS Gold financing program, combined with the Company's pre-cast construction process, translates into the ability to deliver units to customers within a short time frame. This combination of market knowledge, technical expertise and customer understanding results in a compelling proposition for the Company's target Mass Housing segment, which is primarily driven by end-user demand.

To complement and support the CTS Gold financing program, the Company has developed a comprehensive collection platform comprising policies, structures, systems, organizations and mechanisms focused on collection efficiency and the mitigation of payment delinquency. The Company proactively approaches customer credit management, beginning at the point prior to actual sale by conducting in-house seminars/lectures covering key topics related to purchasing a housing unit such as documentary requirements, payment structure and credit and legal obligations connected with the housing unit purchase. The Company has also implemented a comprehensive credit verification process for all potential buyers looking to purchase housing units under the in-house CTS Gold program, which includes a rigorous and systematic documentation approval process. In addition, the Company is able to leverage on its previous experience as collection agent for Pag-IBIG in formulating and implementing highly effective collection processes, including discontinuing the supply of certain utilities to the unit and/or disallowing certain privileges with respect to use of the Company's facilities in the developments. This has resulted in the Company recording estimated collection efficiency rates, defined as amount collected out of current amount due, of over 93% since 2011, with an estimated efficiency rate of 94% in 2016. Moreover, the Company believes that, in part as a result of its collection processes, of the customer accounts which become delinquent, approximately half become active again within three months of default. For the remaining half of the delinquencies that ultimately result in default, the Company is able to regain possession and typically resell the property in due time.

Market innovations with respect to construction processes, which translates into efficiencies and cost-savings.

The Company has continually invested in innovation to update its building processes and minimize wasted materials while at the same time maintaining the quality of its products and rapid completion of housing units. To this end, the Company has developed its own unique building system that makes use of a pre-cast construction process, enabling the Company to construct and complete housing units and MRBs in a cost- and time-efficient manner without compromising the quality and standards of the housing units being turned over to its customers. The utilization of this pre-cast construction process on-site, as opposed to traditional building methods, likewise results in significant cost reduction for the Company, particularly on labor costs. The Company believes that these factors help it to achieve and maintain healthy profit margins. Since pre-cast is manufactured in a controlled casting environment, it is easier to control the mix, placement, and curing; hence, quality can be monitored easily and wastage, typically a large cost for those still utilizing traditional construction methods, is significantly reduced. The Company sources cement from the largest cement manufacturers, which it then blends in-house, together with other additives in specific proportions, to create its proprietary concrete blend. This concrete mix has a faster curing time than standard concrete mixes, which allows for faster setting of pre-cast molds, resulting in panels that can withstand approximately four times as much pressure per square inch than traditional cinder block structures. For instance, the 2013 7.2 magnitude earthquake which affected Cebu and Bohol tested the structural strength and quality of the Company's projects in the area. The Company commissioned an independent structural engineer to inspect the units in its affected projects and the inspection indicated that there was only minor superficial damage and that the units remained structurally stable and fit for occupancy. Through the use of this process, the Company is able to construct townhouses and single attached units in just eight (8) to ten (10) days with an additional five days for single-storey houses with lofts.

The Company continuously improves and refines this process and has mastered its efficient implementation in the field. This construction process is highly scalable and, as such, enables the Company's high levels of growth.

Strong relationships with key housing and shelter agencies.

The Company, through its Subsidiaries and Principals, has been recognized by key Government shelter agencies with respect to its success in the industry. In particular, the Company was recognized by HLURB as the developer with the most number of subdivision units licensed under B.P. 220 from 2011 to 2013. In addition, the accreditation of the Company's projects with the Board of Investment under the Investments Priorities Plan ("IPP") allows each accredited project to enjoy certain tax incentives.

These recognitions demonstrate that the Company has a good reputation and working relationship with key Government agencies that are essential to any success in the Mass Housing development industry. Pag-IBIG serves as the primary Government housing financial assistance program in the Philippines, with a statutory mandate to provide financial assistance for the housing requirements of its members and allot not less than 70% of its available funding for deployment of housing loans to qualified buyers. The Company closely coordinates with Pag-IBIG to increase the efficiency in Pag-IBIG's take-up of the Company's contracts-to-sell under its CTS Gold in-house financing scheme. The Company has also voluntarily submitted a proposal for it to be recognized as an authorized collection agent by Pag-IBIG for its home buyers, thus lessening the manpower needed by Pag-IBIG to follow up and keep accounts current.

Experienced management team with extensive expertise in Mass Housing development.

The Company prides itself in having an experienced management team under the leadership of Mr. Luis Yu, Jr. (Chairman Emeritus and Founder), Mr. Mariano Martinez, Jr. (Chairman of the Board), Mr. Januario Jesus Gregorio III B. Atencio (President and CEO), who each have extensive experience and in-depth knowledge of the real estate business, particularly in the Mass Housing market, and span an aggregate of over 80 years in the industry. The three principals believe that they have, between them, developed over 80 subdivisions and constructed over 70,000 housing units on an aggregate of over 850 hectares in major cities such as Cagayan de Oro, Cebu City, Davao City and Metro Manila. In addition, they have also developed, over the years, positive relationships with key market participants, including construction companies, regulatory agencies, local Government agencies and banks. Mr. Yu carries with him over 30 years of experience in the Mass Housing business. Mr. Martinez has over three decades of experience in the Mass Housing industry and was once the National President of the Subdivision and Housing Development Association ("SHDA"), the largest national organization of subdivision and housing developers in the Philippines with over 200 members. Mr. Atencio brings with him over two decades of experience in the development of Mass Housing projects across the country. Furthermore, he has also been the National President of the SHDA and currently serves on the Board of Governors of the SHDA and as a private sector representative to the Housing and Urban Development Coordinating Center, the highest policy making body for housing in the Government. Mr. Willibaldo Uy, who joined the Company in 2016 as Chief Operating Officer, also serves as President and CEO of Phinma Property Holdings Corporation, Vice President and Treasurer of Mariposa Properties Inc, Member of the Board of Directors/Trustees for Microtel Development Corporation, President and Chairman of Rockwell Center Association Inc, the SHDA, SHDA Guaranty Funds Inc, and Treasurer for Coalition for the Homeless Foundation Inc.

KEY STRATEGIES

The Company's overall business strategy, and the key to its current and past success in the Mass Housing industry, is to deliver with speed and quality the right products (a DECA Homes house or Urban DECA Homes MRB unit) to its target customers, mainly comprising low to middle income earners able to afford a monthly amortization payment of approximately ₱2,800 (the estimated amortization for a ₱450,000 loan for a Socialized Housing unit with 6% annual interest rate for the first year and a 25-year amortization schedule) to ₱16,662 (the estimated amortization for a ₱1,700,000 loan with 11.0% annual interest rate and a 25-year amortization schedule) under the Company's in-house financing program, at the right price range (the estimated amortization for a ₱450,000 to ₱1.7 million per housing/condominium unit).

To further build on its competitive strengths and allow further expansion of its business, the Company is looking to undertake the following:

Increase existing coverage and expand geographically.

The Company intends to further grow its existing Mass Housing revenue base. To accomplish this, the Company intends to (1) increase the number and variety of projects in the cities in which it currently has existing developments, as well as to (2) geographically expand into new cities. For example, the Company plans to bring to Metro Manila the Urban DECA Homes low-cost MRB concept that they were able to successfully launch and implement in the Mandaue City, Metro Cebu urban environment. The Company currently has ongoing projects in the cities of Muntinlupa and Manila targeting Metro Manila commuters.

Continue to support Mass Housing home ownership via innovative financing products.

The Company seeks to promote increased home ownership in the Mass Housing segment in part by continuing to develop financing products tailored to the specific needs, requirements and financial situation of Mass Housing customers. In particular, the Company intends to seek ways to improve on and further provide flexibility to its CTS Gold financing program, an innovative product developed using the Company's experience in the Mass Housing segment, which allows home buyers to move into their chosen homes after a low down payment and provides affordable monthly amortizations.

Continue to replenish land bank for development.

The Company plans to continue to explore opportunities to replenish its land bank for future developments, selectively acquiring parcels and properties that meet its requirements for potential projects. The Company aims to seek out properties located in close proximity to public transportation terminals and major thorough-fares in cities, and also seeks to locate suitable project sites near developing business centers and high growth communities across the Philippines.

Continue to diversify into new product types.

The Company plans to supplement its subdivision and MRB offerings by launching two high-rise condominium projects under the brand "Urban DECA Towers" in the highest density urban areas of Metro Manila. This concept involves the construction and sale of condominium units that are half the size (i.e. approximately 13 sq. m.) of typical studio apartments. This project is envisioned to provide a weekday lodging for low-to-mid-income commuters who typically have to endure two to four hours of daily travel time and spend up to ₱5,000 each month in transportation costs traveling between their inner-city places of work and their homes in the outlying neighborhoods of Metro Manila. Key to the success of this concept is the up to ₱7,000 per month price point that works for the Company's low- to mid-income customers, coupled with the savings in transportation time and costs that would accrue to the condominium buyers.

Attain increased efficiencies in all facets of its operations and processes.

The Company will seek to improve its construction efficiencies in part by adding more mechanization and by standardizing the sizes of its building components. The Company will also seek to further improve collections by updating its customer qualification process and improving its delinquency remedial measures. In pursuing these items, the Company believes that it will be able to lower operating costs even further and improve its operational efficiency.

HISTORY AND CORPORATE REORGANIZATION

History

The Company was incorporated and registered with the Philippine SEC as "IP Converge Data Center, Inc." on July 8, 2005. At the time, the Company was principally engaged in the information technology and telecommunications business and provided data services. Subsequent to the events set out in "– Corporate Reorganization", the Company ceased operating as a data services provider and began operating as a holding company. Its shares were initially listed on the PSE on October 20, 2010.

The Company, through its Subsidiaries, is the top property developer in the Philippines for 2015, in terms of take-out value from the HDMF. The Company's primary purpose is to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments and other structures.

The Company, through its Subsidiaries, developed its first Mass Housing project in 2003 in Minglanilla, Cebu, which is on the outskirts of the Metro Cebu urban area. As of June 30, 2017, it has completed at least 52 projects and sold over 50,000 units. The Company has completed projects in Luzon, Visayas and Mindanao.

Corporate Reorganization

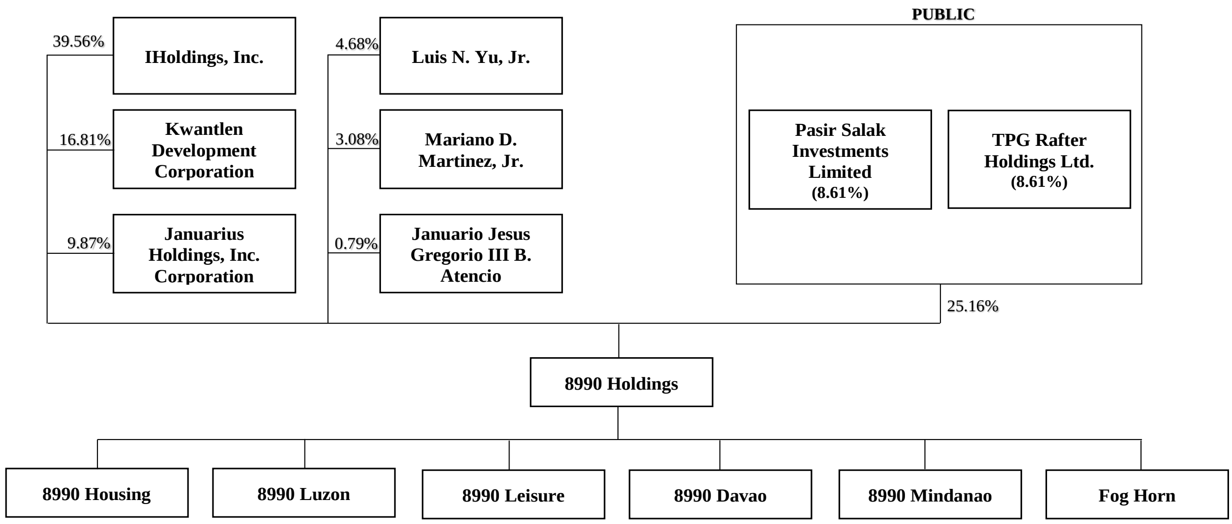
On May 15, 2012, IHoldings, Januarius, and Kwantlen purchased 79.5% of the outstanding capital stock of the Company from certain stockholders of the Company. In compliance with the SRC and the IRRs, a tender offer for all other remaining shares of the Company was conducted, the terms and conditions of which were disclosed through the Tender Offer Report dated June 19, 2012. Following the lapse of the tender offer period on July 19, 2012, during which no stockholder tendered any shares, a Final Tender Offer Report dated August 2, 2012 was filed with the Philippine SEC.

On May 29, 2012, prior to the closing of the sale referred to above, the Company transferred all of its assets to IPCDSI and subsequently transferred all of its equity interest in IPCDSI to its parent company at the time, IPVI, and consequently became a shell company.

On July 25, 2012, pursuant to the sale transaction discussed in the immediately preceding paragraph, IPVI and IEI transferred a total of 136,400,000 shares of the Company to IHoldings, Januarius and Kwantlen through the facilities of the PSE. As a result, IHoldings, Januarius and Kwantlen acquired ownership and control over 61.4% of the Company's total outstanding capital stock. The remaining 40,000,000 shares of the Company acquired pursuant to the sale were transferred through the PSE immediately upon the lapse of the lock-up period applicable to said shares or on November 12, 2014.

On May 6, 2013, the Company acquired all of the outstanding shares in the Subsidiaries from their respective shareholders under a Deed of Exchange dated May 6, 2013, as amended and supplemented on June 8, 2013 and, in exchange, agreed to issue a total of 3,968,357,534 shares from the increase of the Company's authorized capital stock in favor of the Subsidiaries' majority shareholders at the time. Consequently, under a private placement transaction and to ensure continued compliance with Philippine minimum public ownership requirements of the PSE, the Company applied with the Philippine SEC to: (i) increase its authorized capital stock to accommodate the foregoing issuance; (ii) change the primary purpose of the Company into a financial holding company; and (iii) change its corporate name to "8990 Holdings, Inc.". The SEC approved the application for the foregoing on October 1, 2013.

The following chart illustrates the Company's material shareholders and Subsidiaries as of June 30, 2017. For a detailed breakdown of the Subsidiaries, see "– Subsidiaries."



REAL ESTATE DEVELOPMENT PROJECTS

Through its Subsidiaries, the Company currently undertakes three types of real estate development projects: (i) horizontal residential subdivisions; (ii) MRB residential complexes; and (iii) High-rise condominium units. The table below presents the components of the Company's consolidated revenue associated with its business segments for the periods indicated.

	For the years ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
		(₱ in millions)		*(₱ in millions)*	
Low-cost Mass Housing	6,740.8	7,764.7	6,435.1	4,222.5	1,555.7
MRB condominium units ..	789.2	1,464.7	1,556.7	507.0	616.1
High-rise condominium units	-	-	1,117.5		864.6
Total.................................	7,530.1	9,229.4	9,109.3	4,729.5	3,036.3

	For the years ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(number of housing units sold)			*(number of housing units sold)*	
Low-cost Mass Housing	6,476	7,338	6,029	3,296	1,101
MRB condominium units ..	715	1,259	1,967	272	1,115
Total.................................	7,191	8,597	7,996	3,568	2,216

Notes:

(1) See "Summary - Recent Developments- Sale of Timeshare Business". On August 1, 2014, the Company ceased timeshare selling as the property related to the timeshare business has been sold.

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The Company believes it is in material compliance with applicable regulatory requirements, including permits and licenses which are necessary to its business operations, the failure to possess any of which would have a material adverse effect on the business and operations of the Company.

Horizontal Residential Subdivisions

The Company sells housing unit models under its DECA Homes brand in horizontal Mass Housing development projects. These residential subdivisions are typically located in the outskirts of major metropolitan areas nationwide (apart from Metro Manila).

Within these subdivisions, the Company constructs three types of housing unit models:

- Single-storey – a single-floor residential unit built in a row of four of more units joined by common sidewalls
- Single-storey with loft – a residential unit which is situated on its own or in a separate lot without sharing any walls with another home or building; it includes a loft
- Townhouse – a two-storey residential unit built in a row of four or more units joined by common sidewalls

Floor areas typically range from 35 sq. m. to 60 sq. m. Typical unit prices range from ₱450,000 to ₱1,500,000. Typical lot areas range from 35 sq. m. to 120 sq. m.

Developed subdivisions have the following common facilities: concrete roads, sidewalk with curbs and gutters, underground drainage system, centralized water system, power system, gated entrance with security personnel and perimeter fence. In addition to the foregoing facilities standard to all subdivisions, some projects feature one or more of the following leisure facilities: wakeboard park, swimming pool, basketball court, clubhouse/multi-purpose hall, church and commercial market. Certain larger projects have an area designated for commercial businesses.

As of June 30, 2017, the Company has completed 50 horizontal residential subdivisions comprising approximately 36,700 units.

Medium-rise Residential Buildings

The Company also develops low-cost residential complexes of MRBs under the Urban DECA Homes brand. An MRB is a walk-up building of four to five stories or an elevator-equipped building of eight to 12 stories. These MRBs are located in central areas of highly urban locations (i.e. Metro Manila, Metro Cebu, Davao) within walking distance of major public transportation routes. The Company is developed its first MRB Mass Housing project in Mandaue City in the province of Cebu. The Company has also started to develop similar MRB projects in select urban areas in Metro Manila.

The floor area for an MRB unit typically ranges from 23 sq. m. to 36 sq. m. Unit prices range from ₱950,000 to ₱2,100,000.

MRB complexes have the following common facilities: concrete roads, sidewalk with curbs and gutters, underground drainage system, centralized water system (hooked up to public utility providers), power system, cable and telephone lines, gated entrance with security personnel and perimeter fence. In addition to the foregoing, MRB complexes have on-site leisure facilities such as a swimming pool, basketball court, clubhouse/multi-purpose hall and/or a park.

As of June 30, 2017, the Company has completed two MRB projects and delivered an aggregate of 2,476 units. The Company currently has five ongoing MRB projects, with an aggregate 8,648 units for sale.

High-rise Residential Buildings

The Company has ventured into high-rise condominium projects under the brand Urban DECA Towers in the highest density urban areas of Metro Manila. This concept involves the construction and sale of condominium units that are half the size (approximately 13 sq. m.) of typical studio apartments. A unit would have a bathroom and a combination sleeping/living/dining area suited for occupancy by a single person or a couple. Each unit would cost around ₱1,600,000, which equates to initial monthly amortization payments of around ₱15,700 under the Company's CTS Gold Convertible in-house financing product (with typical 25-year term, 11.0% fixed annual interest rate subject to adjustment after fourth year). The lower floors of the building would contain common areas (i.e. gym, living-room style lobby, function rooms, etc.) and commercial shopping/dining areas. The buildings are intended be situated in dense urban neighborhoods with easy access to major transportation routes/facilities and within easy distance of major white-collar employment centers (i.e., central business districts).

Making use of the "Micro Living" concept, Urban DECA Towers is envisioned to provide weekday accommodation for low- to mid-income commuters who typically have a two- to four-hour daily commute and spend up to ₱5,000 each month in transportation costs traveling between their places of work and homes in the outlying neighborhoods of Metro Manila.

Summary of Projects

As of June 30, 2017, the 8990 Group has completed at least 52 Mass Housing projects as summarized in the table below:

<u>List of Projects</u>

	Project Name	Company	Type	Completion Year	No. of Units	Units Sold
I. Completed Projects						
Cebu						
1	Deca Homes Mactan 1	8990 Housing	Horizontal	2008	679	679
3	Deca Homes Danao 2 & 3	8990 Housing	Horizontal	2009	322	322
4	Deca Homes Mactan 2	8990 Housing	Horizontal	2009	162	162
5	Deca Homes Tunghaan	8990 Housing	Horizontal	2009	381	381
6	Minglanilla Homes 1	8990 Housing	Horizontal	2012	2,681	2,681
7	Deca Homes Minglanilla 2					
8	Deca Homes Minglanilla 3					
9	Deca Homes Minglanilla 4					
10	Deca Homes Minglanilla 5					
11	Deca Homes Minglanilla 6					
12	Deca Homes Mactan 3	8990 Housing	Horizontal	2011	473	473
13	Deca Homes Mactan 4	8990 Housing	Horizontal	2013	1,245	1,245
14	Deca Homes Mactan 5	8990 Housing	Horizontal	2013	1,200	1,200
15	Deca Homes Talisay	8990 Housing	Horizontal	2013	1,039	1,039
16	Deca Homes Mandaue	8990 Housing	Horizontal	2013	912	912
17	Deca Homes Baywalk Talisay 2	8990 Housing	Horizontal	2014	881	881
18	Urban Homes Tipolo	Fog Horn, Inc	MRB	2014	1,540	1,540
19	Urban Deca Homes Tisa 1	8990 Housing	MRB	2016	936	936
Iloilo						
20	Deca Homes Pavia	8990 Housing	Horizontal	2012	976	976
21	Deca Homes Pavia 2	8990 Housing	Horizontal	2013	884	884
22	Deca Homes Pavia Resort Residences 1	8990 Housing	Horizontal	2016	2,125	2,125
Davao						
23	Deca Homes Davao	8990 Housing	Horizontal	2011	1,685	1,685
24	Deca Homes Esperanza	8990 Housing	Horizontal	2015	2,072	2,072
25	Deca Homes Resort Residences 1	8990 Housing	Horizontal	2015	7,015	7,015
26	Deca Homes Resort Residences 2					
27	Deca Homes Resort Residences 3					
28	Deca Homes Resort Residences 4					
29	Deca Homes Resort Residences 5					
30	Deca Homes Resort Residences 6					
31	Deca Homes Resort Residences 7					
32	Deca Homes Resort Residences 8A					
33	Deca Homes Resort Residences 8B					
34	Deca Homes Resort Residences 8C					
35	Deca Homes Resort Residences 9					
36	Deca Homes Resort Residences 10					

37	Deca Homes Resort Residences 11					
38	Deca Homes Resort Residences 12					
39	Deca Homes Resort Residences Prime					
40	Deca Homes Resort Residences Executive					
41	Deca Homes Indangan 1	8990 Davao	Horizontal	2016	542	542
42	Deca Homes Indangan 2	8990 Davao	Horizontal	2017	960	960
43	Deca Homes Indangan 3	8990 Davao	Horizontal	2017	898	898
44	Deca Homes Indangan 4	8990 Davao	Horizontal	2017	824	824
45	Deca Homes Catalunan Grande	8990 Mindanao	Horizontal	2016	649	649
North Luzon						
46	Savannah Green Plains 1	Fog Horn, Inc	Horizontal	2015	666	666
47	Savannah Green Plains 2	Fog Horn, Inc	Horizontal	2015	689	689
48	Savannah Green Plains 3	Fog Horn, Inc	Horizontal	2015	1,342	1,342
South Luzon						
49	Bon Giorno Homes Subd .	8990 Housing	Horizontal	2012	384	384
50	Bella Vista	8990 Luzon	Horizontal	2015	3,881	3,881
51	Marseilles	8990 Housing	Horizontal	2015	466	466
52	Deca Homes Tanza (Fromerly Al Mare Homes)	8990 Housing	Horizontal	2016	625	625
	TOTAL				**39,134**	**39,134**

As of June 30, 2017, the Company is developing another 14 Mass Housing, MRB and high-rise projects as summarized in the table below:

II. Ongoing Projects		**Company**	**Type**	**Completion Year**	**% Completion**	**No. of Units**	**Units Sold**
Cebu							
1	Deca Homes Baywalk Talisay 3	8990 Housing	Horizontal	2018	82%	729	550
2	Urban Deca Homes H. Cortes	8990 Housing	MRB	2018	30%	1,400	432
General Santos							
3	Deca Homes Gen San 1	8990 Housing	Horizontal	2017	87%	2,537	837
4	Deca Homes Gen San 1	8990 Housing	Horizontal	2017	87%	244	213
5	Deca Homes Mulig	8990 Housing	Horizontal	2019	12%	7,005	380
Iloilo							
6	Deca Homes Pavia Resort Residences 2	8990 Housing	Horizontal	2018	68%	2,967	875
South Luzon							
7	Urban Deca Homes Hampton	8990 Housing	MRB	2018	27%	1,988	656
8	Urban Deca Homes Mahogany	8990 Housing	MRB	2018	12%	448	3
North Luzon							
9	Deca Clark Residences and Resorts	8990 Luzon	Horizontal	2017	83%	5,235	3,941
10	Deca Homes Marilao	8990 Housing	Horizontal	2019	43%	818	516
11	Urban Deca Homes Marilao	8990 Housing	MRB	2019	43%	3,788	320
NCR							
12	Urban Deca Towers EDSA	Fog Horn, Inc	High-Rise	2017	94%	1,148	900
13	Urban DH Manila	Tondo Holdings Inc.	High-Rise	2019	39%	13,112	798

14	Urban Deca Homes Campville	8990 Housing	MRB	2017	97%	1,024	702
	TOTAL					**42,443**	**11,123**

The Company also has an identified pipeline of projects with an existing and available land bank. The projects scheduled to be commenced in 2017 are summarized in the table below:

<u>Pipeline Projects for 2017</u>

	Project Name	Company	Type	Location	% Completion	No. of Units	Units Sold	Target Launch	Target Completion
1	Urban Deca Homes Tisa 2	8990 Housing	MRB	Cebu	0%	3,803	0	Aug. 2017	2021
2	Deca Homes Mactan Prime	8990 Housing	Horizontal	Cebu	0%	6,828	0	Sept. 2017	2021
3	Urban Deca Homes Mactan	8990 Housing	MRB	Cebu	0%	3,507	0	Aug. 2017	2025
4	Deca Homes San Lorenzo	8990 Housing	Horizontal	Davao	0%	3,749	0	Nov. 2017	2022
5	Deca Homes Ignatius	8990 Housing	Horizontal	Davao	0%	6,800	0	Aug. 2017	2027
6	Deca Homes Bacolod South	8990 Housing	Horizontal	Bacolod	0%	9,044	0	July 2017	2023
7	Deca Homes Leganes	8990 Housing	Horizontal	Iloilo	0%	3,085	0	Aug. 2017	2024
8	Deca Homes Sta. Barbara	8990 Housing	Horizontal	Iloilo	11%	10,189	0	July 2017	2028
	TOTAL					**47,005**			

The Company will finance the development of its projects via monthly amortization made by buyers, proceeds from Pag Ibig take-out, saale of CTS receivables, and availment of existing and future credit lines.

The parcels of land for the on-going and pipeline projects of the Corporation are free from any adverse third party claimants.

PROJECT DEVELOPMENT AND CONSTRUCTION

Land Acquisition

Funding for future land acquisitions as well as for the development of those already acquired will be sourced primarily from bank financing and/or internally-generated funds.

Offers for properties to the Company for land acquisition and/or joint ventures begins with the Company making a marketability determination of the location of the property, based on the intended development. The Company has developed specific procedures to identify land that is suitable for its needs and performs market research to determine demand for housing in the markets it wishes to enter. These factors include:

- the general economic condition of the environment surrounding the property;
- suitable land must be located near areas with sufficient demand or that the anticipated demand can justify any development;
- the site's accessibility from nearby roads and major thoroughfares;
- the availability of utility infrastructure, such as electric transmission facilities, telephone lines and water systems; and
- the overall competitive landscape and the neighboring environment and amenities.

The Company also considers the feasibility of obtaining required governmental licenses, permits and authorizations, as well as adding necessary improvements and infrastructure including sewage, roads and electricity.

If the property passes the initial procedure, the Company then conducts due diligence on the property. The evaluation process focuses on the following major factors:

- legal documents (e.g. title) related to the property;

- property valuation;
- geographic location (i.e. proximity to public transportation);
- technical characteristics of the property (e.g., location of fault lines); and
- other factors impacting the suitability and feasibility of developing future projects.

Before the Company acquires land, it conducts extensive checks on both the owner and the land itself, with a particular focus on the veracity or validity of the title covering the land and whether it can be traced back to the original judicial decree granting title over the land. As and when needed, the Company also engages third parties, such as surveyors and engineers, to verify that the land it seeks to acquire is consistent with the technical description of the title. The Company also conducts its own valuation of the property based on, among other factors, other similar properties in the market and an assessment of the potential income derivable from any development suitable for the property. The Company also conducts engineering and environmental assessments in order to determine if the land is suitable for construction. The land must be topographically amenable to housing development. There are no material third party claims to the land titles covering the project sites of the Company as identified above which would have a material adverse effect on the business and operations of the Company.

After the second stage is passed, the Company then determines the fair price and terms for the acquisition and then negotiates with the land owner for the purchase.

Site Development and Construction

Once the land for a project site has been acquired by the Company, site development and construction work for the Company's projects is contracted out to qualified and accredited independent contractors. The Company's accreditation procedure takes into consideration each contractor's experience, financial capability, resources and track record of adhering to quality, cost and time of completion commitments. The Company primarily contracts the Lasvazmun group of companies (consisting of Lasvazmun Homes, Inc. and Las Caerus Homes, Inc.) for construction work in Luzon, Iloilo and some parts of Cebu and the Conmax group of companies (consisting of Conmax Inc. and Creofab Inc.) for construction work in Davao and other parts of Cebu. Formal arrangements with both groups have been in effect since 2011, ensuring that both contractors are exclusive to the Company only. The Company maintains relationships with many contractors for land development, including CGA Prime Builders Corporation, El Eloha Construction, Lasvazmun Homes, Inc., Las Caerus Homes, Inc., Conmax Inc., Creofab Inc., Panico Construction and Square 8. Typically, these contractors are paid approximately 20% to 25% initially as down payments, with 65% to 70% paid on a turnkey basis and the remaining 10% paid after three months, retained as coverage for any faults.

The Company builds its horizontal subdivision units in five steps: (1) casting, (2) foundation preparation, (3) assembly, (4) roofing and retouching, and (5) finishing and detailing:

1. Construction begins with the casting process, which comprises setting molds and pre-casting the walls and ceiling slabs near the actual project site. The Company's pre-casting process utilizes the proprietary concrete mix developed by the Company internally, which produces concrete slabs that are approximately four times stronger than typical concrete slabs used in the Philippines and dry in approximately 22 hours (compared to 21 days for standard casting).

2. Simultaneously, the foundation at the site is prepared and laid, comprising laying down reinforcing bars and allocations for wiring and pipes, setting hooks for the assembly stage and pouring the concrete mixture. This phase is completed in one day.

3. At the assembly stage, cranes are used to lift the pre-cast components and erect the components in the foundation that is prepared while casting is still in progress. The ends of the components are welded together. This process also takes one day.

4. Roofing and retouching involves the addition of steel beams to support the roof, installation of the roof, and the retouching of rough edges in the concrete structure. This stage takes two to three days to complete.

5. Lastly, finishing and detailing takes four to five days to complete and involves smoothing out the walls, floors and ceilings of the unit, applying paint, and installing doors, windows, and electrical and plumbing fixtures.

The Company currently has capacity to develop up to 13,920 units annually. The Company can further expand its capacity by increasing the number of its pre-fabrication molds, without requiring significant additional investments in time or resources.

Having developed the processes used in the construction of its projects, the Company trains its contractors on these topics. The Company also sends its engineers to oversee critical functions in project construction to ensure the quality of work of its contractors.

IN-HOUSE FINANCING

The Company through its subsidiaries including 8990 HDC, 8990 Luzon, 8990 Davao, 8990 Mindanao, Foghorn, Tondo Holdings, and Luzon Realty, offers in-house financing to qualified borrowers who purchase housing units through its CTS Gold loan financing product. CTS Gold carries a fixed rate of 11.0% per annum. The 11.0% per annum interest rate is fixed for the first four years and is subject to re-pricing at the end of fourth year. The interest rate re-pricing shall be subject to review thereafter, taking into account factors such as inflation and the prevailing market rates. Borrowers are encouraged to get a loan from Pag-IBIG. The terms of CTS Gold generally match Pag-IBIG requirements for similar loans.

Loan approval for the Company's in-house financing is based on capacity to pay. Anticipated amortization should constitute no more than 40% of the applicant's net disposable income during the same period. To substantiate claims of income (after statutory deductions and personal loans), the Company conducts a background investigation and examines other relevant documents such as certificate of employment and compensation, pay slips, other sources of income supported by bank account statements, contract of employment for OFWs, proof of remittance and income tax returns. Should any single individual applicant not meet this requirement, such applicant may add up to three individuals and apply as co-borrowers whose income is then measured on a combined basis.

Prospective homebuyers are required to attend three in-house seminars/lectures that cover topics such as the Company, its products and various projects, documentary requirements needed in purchasing a housing unit from the Company, manner of payment, repayment obligations, homeowners' responsibilities, etc.

For residential projects, the buyer is expected to pay not less than 3% of the purchase price as down payment, either immediately or within three months of signing.

Principal repayment occurs through monthly amortizations over a maximum of 25 years. The title is transferred to the buyer only after full payment of the equity and principal amounts are made to the Company by either the buyer or by Pag-IBIG.

LIQUIDITY MANAGEMENT

Financing Options

Pag-IBIG Transfer

The Company may enter into take-out arrangements with Pag-IBIG as needed, where it transfers its CTS Gold Convertible receivables, typically within four years of the loan commencement period, subject to the Company's requirements. The Company was able to transfer ₱2.5 billion and ₱2.275 billion worth of receivables to Pag-IBIG in 2016 and the first half of 2017, respectively. Pag-IBIG released housing loans in the said aggregate amounts to pay off the balance of the purchase price of the housing units sold by the Company to qualified Pag-IBIG members. The acceptance or rejection of a CTS receivable by Pag-IBIG is based on certain guidelines such as employment, number of contributions made by the homeowner/Pag-IBIG member and net disposable income, among other factors. As a result of the Company's CTS Gold Convertible requirements mirroring those of Pag-IBIG's, the Company estimates that substantially all of its historic requests for take-outs have been accepted by Pag-IBIG. However, in the event that a material number of take-up applications are delayed or even denied, the Company's cashflow and recognized revenues could be materially affected. Moreover, the conversion into cash of the Company's CTS receivables as a result of take-ups by Pag-IBIG also affects the Company's results of operations. As a greater amount of CTS receivables are converted pursuant to the Company's take-up arrangements, the Company's finance income and receivables decrease while its cash balances correspondingly increase.

Other Receivables Management Options

In addition to its receivables take-up arrangements with institutions such as Pag-IBIG, the Company also regularly adopts other measures to manage its level of receivables from its housing sales, as well as to generate cash necessary for operations. For example, from time to time, the Company enters into loan arrangements with banks against its receivables portfolio as collateral. The Company has begun to explore possible securitization transactions with respect to its receivables portfolio. In addition, the Company is also considering the sale of its receivables to banks and other financial institutions on a non-recourse basis. The success of any of these receivable management measures, depending on the amount involved and terms agreed, may affect the Company's results of operations in terms of its liquidity and the levels of its receivable assets.

CREDIT AND COLLECTION

The Company has a credit and collection team which is in charge of handling the amortization payments of buyers. The team is responsible for the timely collection of payments, depositing of post-dated checks and the eventual remittance of payments to the Company's treasury group and undertaking remedial measures for delinquent accounts. The Company has also developed a comprehensive collection platform comprising policies, structures, systems, organizations and mechanisms focused on collection efficiency and the mitigation of payment delinquency.

The Company's credit and collection team is composed of 68 permanent employees organized per area of operation. Of the 68, eight are managers in charge of North Luzon, South Luzon, Cebu, Iloilo, and Davao, while 60 are employees functioning as remittance officers, frontline customer service officers and site collection officers. In addition, the services of five law firms have been retained by the Company to handle the legal side of collection, including the sending of demand letters, notices of cancellation and the eventual eviction of the delinquent borrower.

Submission of Check Payments

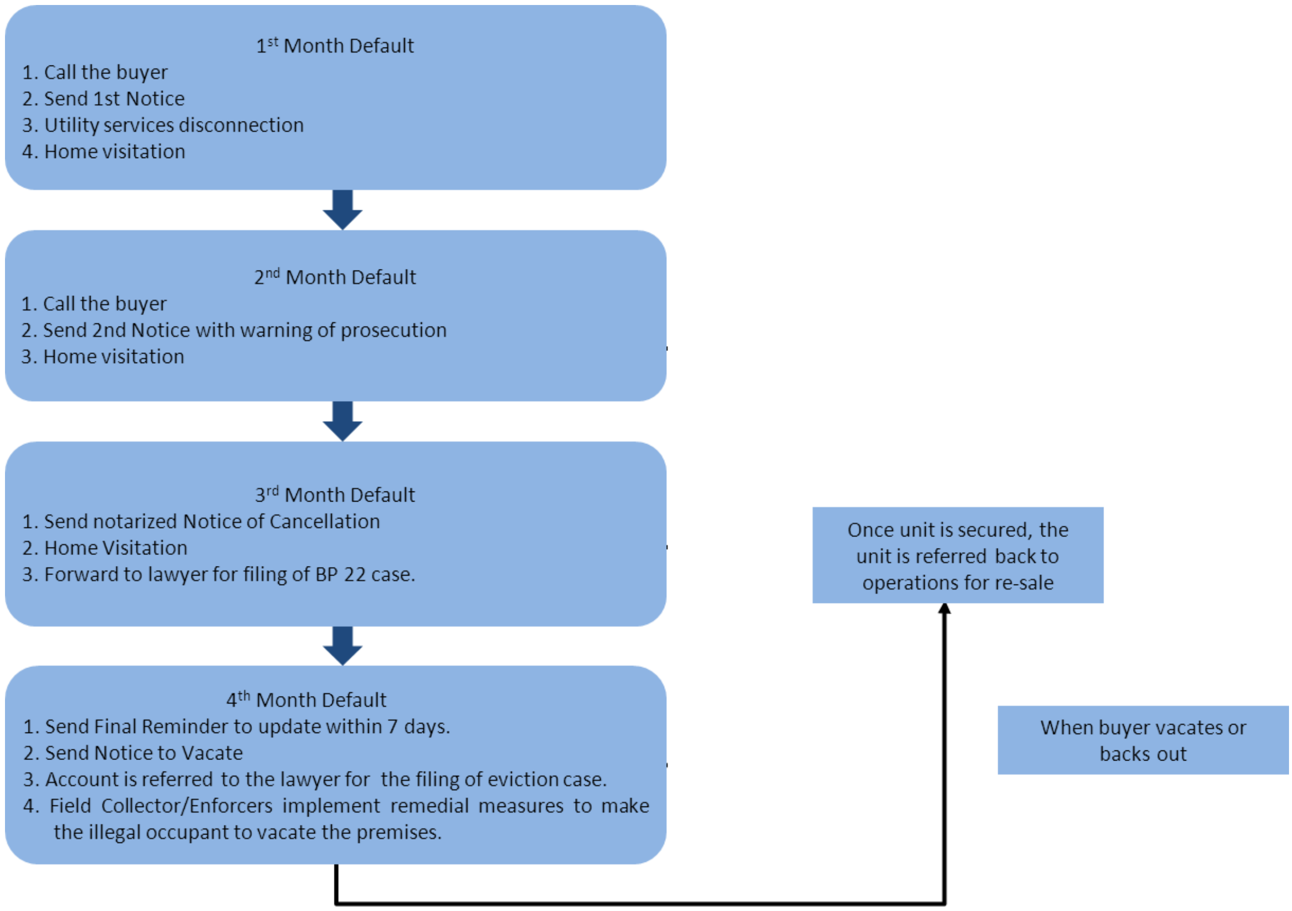
Potential homebuyers of the Company's housing units are required to submit 25 post-dated checks. The first 24 checks are equivalent to the first 24 monthly amortization payments, while the 25th check represents the outstanding principal balance as of the 25th month and serves as an assurance that the borrower will again submit another 24 post-dated checks (equivalent to the payments for months 25 to 48) plus another 25th check equivalent to the outstanding principal balance as of the 49th month. This cycle is repeated until the loan is fully paid at the end of the term. The excess of the 24 checks will be deposited if the borrower fails to submit the next set of 25 checks.

The Company imposes a ₱2,200 bank penalty fee and a ₱200 fee per bounced check as facilitation and retrieval fee. Likewise, a fee of ₱200 is charged if the buyer replaces the check with cash paid directly to the Company.

The Company's estimated collection efficiency rates, defined as amount collected out of current amount due, have remained over 92% since 2011, with an estimated efficiency rate of 94% in 2016 and 92% as of the six months ended June 30, 2017.

In the Company's experience, through remedial measures, approximately half of the defaulting accounts usually become current again after a one- to three-month payment lag, while the other half of the defaulting accounts result in the cancellation of the CTS and remarketing of the property. The Company was able to leverage on its experience and expertise in acting as Pag-IBIG's collection agent prior to 2011 in the formulation and execution of its credit and collection policies.

Collection Process in the Event of Default



Accounts are considered in default when the buyer fails to pay one monthly amortization, while payments are considered late if the buyer fails to pay his amortization on the due date.

MARKETING AND SALES

Marketing

The Company believes it has an extensive marketing network. The Company's marketing and distribution network consists of 40 unit managers with more than 1,500 downline sales agents exclusively selling 8990 projects, and around 3,000 freelance sales agents. All of the unit managers and the agents under them are exclusively contracted to the Company. Furthermore, all unit managers are accredited licensed realtors. The Company's commission structure and incentive schemes vary relative to the network's affiliation and sales structure. The Company's marketing teams are compensated through commission fees and are provided some administrative support by the Company. The Company trains its marketing teams monthly on topics including new Company policies, product information and terms and conditions of sale.

As a marketing strategy, the Company's sales and marketing teams regularly conduct presentations to potential clients to inform them of the Company's products. Mall exhibits have likewise provided the Company with an effective platform to introduce its product offerings and get leads on prospective buyers. Another strong source of sales relates to "repeat buyers," in the form of family members of those who already own a DECA Home unit.

The Company does not derive any sales or revenues from foreign sales.

Moreover, promotional discounts are also offered by the Company to attract buyers and increase their interest. These include:

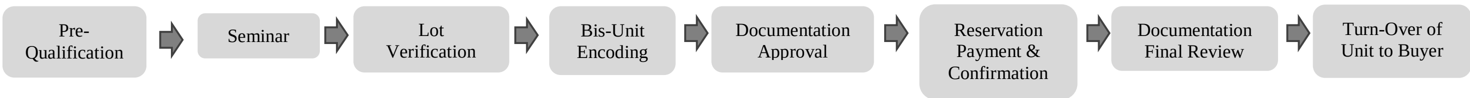
- Cash Discounts. The Company gives discounts upon full payment of the total contract price of the house and lot package (which price ranges from ₱450,000 to ₱1,700,000). Cash discounts are as follows:

Full Payment Within	Cash Discount
7 Days.....................	3.0%
30 Days...................	2.0%
60 Days...................	1.0%
90 Days...................	0.5%

- “LipatAgad.” Buyers are allowed to move-in to the property upon full payment of the required down payment pending take-out of the loan with Pag-IBIG.

CTS Gold Sales Process

The CTS Gold product follows a rigorous process of credit verification for all potential buyers. The following diagram illustrates the process under the CTS Gold product:



Pre-Qualification – The buyer provides basic requirements such as valid identification, proof of income (pay slips, certificate of employment and compensation, bank statements, income tax return, etc.), signed loan documents and complete post-dated checks.

Seminar – The buyer is required to attend a seminar wherein the buyer is oriented on what their obligations as homeowners, neighbors and explain what a postdated check is. We are the only housing developer that requires homeowners to attend the seminar.

Lot Verification – The availability of the unit is verified.

Bis-Unit Encoding – A unit manager assigns and encodes the buyer’s identification into its system to avoid double reservation.

Documentation Approval – A documentation manager submits the buyer’s information folder to a documentation account officer. The account officer verifies and screens the documents provided by the borrower. Physical appearance of the buyer is required to verify accuracy of all information provided. Incomplete documentation folders are sent back to the documentation manager for re-evaluation.

Reservation Payment and Confirmation – Reservation payment is paid for by the buyer and documented by an account officer.

Documentation Final Review – The documents are sent to a documentation manager for final review.

Turn-Over of Unit to Buyer – Take-out occurs only when construction of the unit is complete and the buyer accepts the unit. Attendance at a buyer orientation is required which will cover documentation, credit and legal obligation, construction and technical discussion.

SUPPLIERS

All of the raw materials used by the Company are sourced from domestic Philippine suppliers. Suppliers are chosen based on a number of criteria, including the quality of the raw materials supplied, stability of supply in the past, delivery time, pricing of the raw materials as well as the financial and industrial strength of the supplier. The Company’s sourcing strategy is to deal with reliable suppliers at the best available price, prefer national over local suppliers and encourage on-time delivery by its suppliers.

The Company maintains relationships with over 200 suppliers. As of September 30, 2017, the Company's five largest raw materials suppliers in aggregate accounted for approximately 40% of the Company's total amount of purchases for horizontal and four-storey MRBs. The Company is not dependent on any single supplier for raw materials.

CUSTOMERS

The Company mainly focuses on serving the needs of the Mass Housing market. Specifically, the Company targets (a) the upper-end of the lower class segment of society and (b) the lower-end of the middle class segment of society. The Company's target market consists of buyers who are gainfully employed (such as government employees, business processing operations (BPO) employees, manufacturing workers, etc.). 78% of the horizontal unit buyers and 85% of condominium unit buyers have monthly gross income above ₱26,000. The Company likewise caters to OFWs, which, for many years, have played an important role in keeping the Philippine economy afloat through their remittances that help fuel consumption, specifically real estate purchases. The following table summarizes the Company's customer demographics as of June 30, 2017:

Demographic	**Subdivision**	**Condominium**
Young:	87%	81%
20 to 35 Years Old	56%	53%
36 to 45 Years Old	32%	28%
College-Educated and Licensed Professionals	82%	87%
Gainfully Employed:	100%	100%
Office Workers	55%	65%
OFW	33%	23%
BPO	7%	8%
Minimum ₱26,000 Gross Family Income	78%	85%
Primary Residence Purpose	90%	62%

CUSTOMER SERVICE AND WARRANTIES

The Company believes it is important to ensure that quality service is afforded to homebuyers throughout and after the relevant sales period. Customer service employees oversee pre-delivery quality control inspections and respond to post-delivery customer needs. The Company responds to customer requests during the construction phase and coordinates the legal requirements that customers must comply with when making a purchase, including signing deeds, obtaining permits, and securing funding.

Under the terms of the Company's CTS contracts, buyers may seek repairs for patent (i.e., observable) defects in new homes prior to their acceptance of the residential unit. If the defect is latent (i.e., non-observable), customers may seek repairs within one year from the date the housing unit was turned over to them for occupancy.

In addition to the foregoing contractual warranties, the Company may be subject to additional liabilities arising from construction defects under Philippine law. However, the Company has historically spent immaterial amounts on claims from customers for construction or other defects. See "Risk Factors — Construction defects and other building-related claims may be asserted against the Company, and the Company may be subject to liability for such claims."

COMPETITION

The Company believes it does not have significant direct competition from national (i.e. Metro Manila-based) real-estate developers for low cost housing projects within its price range (i.e. ₱450,000 to ₱1,700,000 per housing unit). Although competitors with nationwide scope, such as Amaia Land Corporation, a subsidiary of Ayala Land, Inc.; Century Limitless Corporation, a subsidiary of Century Properties Group, Inc.; Filinvest Land, Inc., under the "Futura Homes" brand; Suntrust Properties, Inc., a subsidiary of Megaworld Corporation; Robinsons Land Corporation, under the "Robinsons Communities" brand; Summerhills Home Development Corporation, a subsidiary of SM Prime Holdings, Inc.; and Vista Land, under the "Camella Homes" brand, do undertake affordable housing projects, they do so at a higher price range (i.e. ₱1,500,000 and up), which is a different market from that of the Company's.

The Company has direct competitors at the local/regional level that sell housing units within its ₱450,000 to ₱1,700,000 price range. These include: Johndorf and ProHomes in Cebu; Foothills Development Corporation and HLC Development

Corporation in Davao; ProFriends, Ion Realty, Happy Homes and San Raphael Realty in Iloilo; Hausland, Fiesta Communities and El Valerio Realty in Pampanga; and ProFriends, Homemark Development, Picar Development, Rudex, Masaito and New APEC in Cavite.

LAND BANK

As an integral part of its strategy, the Company believes that it maintains a land bank of sufficient size and nature to ensure that it has adequate land to cover its development requirements. The Company has invested in properties situated in what the Company believes are prime locations across the Philippines for existing and future low-cost Mass Housing and land development projects for the next four to five years, most of which is located in areas with close proximity to major roads and primary infrastructure, and aims to expand its land bank to cover development in the next seven to eight years. As of June 30, 2017, the Company had a land bank of approximately 557 hectares of raw land for the development of its various projects, with some properties subject to liens or encumbrances. Details of the Company's raw land inventory as of June 30, 2017 are set out in the table below:

Location	Project Type	Area (in ha)	Project Duration (in Years)	Target Year of Development
LUZON				
San Mateo, Rizal	Deca Homes	31.2	To be determined	
Batasan Quezon City	Deca Homes	17.04	To be determined	
Ortigas Ave. Extension	Urban Deca Homes	13.23	To be determined	
Edsa, Cubao	Urban Deca Tower	0.43	To be determined	
Alabang Zapote Road, Brgy. Pamplona, Las Pinas City	Urban Deca Homes	4.8	7	Y2018-2025
Litex Road, Commonwealth QC	Urban Deca Homes	2	7	Y2018-2025
Brgy. Old Balara, QC	Urban Deca Homes	17.6	8	Y2018-2026
Mendiola/Otis Property	Urban Deca Homes	2.8	6	Y2022-2028
East Asia Drive, Filinvest, Alabang	Urban Deca Tower	0.12	To be determined	
Yakal, Makati	Urban Deca Tower	1.43	To be determined	
Meycauayan, Bulacan	Urban Deca Homes	44	8	Y2018-2026
Subtotal		**134.65**		
VISAYAS				
Vista Mar, Cebu City	Urban Deca Tower	0.18	To be determined	
Cebu Business Park, Cebu City	Urban Deca Tower	0.31	To be determined	
AS Fortuna, Banilad, Cebu	Urban Deca Homes	1.8	7	Y2019-2026
Sta. Barbara, Iloilo	Deca Homes	55.43	To be determined	
Mactan, Cebu	Deca Homes	39.34	To be determined	
Leganes, Iloilo	Deca Homes	25.4	To be determined	
Cabug, Bacolod	Deca Homes	55.96	To be determined	
Granada, Bacolod	Deca Homes	62	9	Y2018-2027
San Miguel, Ilo-ilo	Deca Homes	39.95	8	Y2018-2026
Subtotal		**280.37**		
MINDANAO				

Quirino, Davao City	Urban Deca Homes	0.71	To be determined
Tigatto, Davao City	Deca Homes	24.83	To be determined
Brgy Mulig, Davao City	Deca Homes	15.3	To be determined
Brgy Puan, Davao City	Deca Homes	101.28	To be determined
Subtotal		**142.12**	
Grand Total		**557.14**	

The Company intends to continue to look for land in various parts of the Philippines for future development.

PROPERTY AND EQUIPMENT

The following table summarizes the various real estate properties owned by the Company not intended for use as the site of future projects as of June 30, 2017:

Subsidiary and Property Description	Location	Present Use	Mortgages
8990 Housing Development Corp.			
8990 Corporate Center	Negros St., Cebu Business Park, Cebu City	The three-storey building sits on a property owned by L and D Realty Corp, an affiliate of the Company. It is used as the headquarters of 8990 Housing. A portion of the ground floor and some areas of the 3rd floor are leased out.	Metrobank
8990 Corporate Center	E. Quirino Ave., Davao City	The four-storey building serves as the Company’s Davao branch. Some portions of the ground floor, the 3rdfloor and the 4th floor are leased out.	Phil. Business Bank
3-hectare resort with the following amenities: clubhouse, swimming pool, basketball courts, mini soccer field and fishing lake	Tacunan, Davao City	Serves as additional amenities for the subdivision residents.	None
7-hectare Wakeboard Park	Mintal, Davao City	Wakeboard park with other amenities presently leased to Session Park	None
8990 Luzon			
12-hectare Wakeboard Park	Margot, Pampanga	Wakeboard park with other amenities presently leased to Session Park	None
8990 Holdings, Inc Adriatico Office	Malate, Manila	The two-storey building serves as The Company's Manila office. It is currently servicing buyers of UDHManila and	None

Subsidiary and Property Description	Location	Present Use	Mortgages
		eventually upcoming NCR projects.	

The following table summarizes the various real estate properties leased by the Company:

	Name of Lessee	Monthly Rental (Php)	Term	Company
1.	**PTFC Redevelopment Corporation**	104,625.64	10/1/2016-9/30/2017	HDC
2.	**LFM Properties Corporation**	71,920.00	8/1/2012-7/31/2013	HDC
		75,516.00	8/1/2013-7/31/2015	
		79,292.00	8/1/2015-7/31/2016	
		83,256.00	8/1/2016-7/31/2017	
		87,419.00	8/1/2017-7/31/2018	
3.	**Tri-City Properties Corporation**	33,600.00	5/15/2016-5/15/2017	HDC/FHI
4.	**SM Arena Complex Corporation**	9,000,000.00	6/22/2013-6/22/2014	HDC
		10,080,000.00	6/22/2015-6/22/2016	
		10,080,000.00	6/22/2016-6/22/2017	
5.	**Philippine General Merchandise Corporation** (2nd Floor)	12,678.75	4/1/2005-3/31/2007	HDC/FHI
		14,212.27	4/1/2007-3/31/2008	
		51,075.92	4/1/2008-3/31/2009	
		56,183.50	4/1/2009-9/30/2009	
		118,309.68	6/1/2009-11/30/2009	
		124,225.17	6/1/2010-5/30/2011	
		130,170.31	9/1/2010-8/31/2012	
		157,506.09	9/1/2013-8/31/2015	
		172,270.00	9/1/2015-8/31/2017	
6.	**Philippine General Merchandise Corporation** (3rd Floor)	47,367.03	7/1/2015-7/1/2016	HDC/FHI
7.	**Iloilo New Life Commercial Inc.**	60,000.00	7/15/2017-01/14/2019	HDC
8.	**ECA Buildings**	60,500.00	6/1/2015-3/31/2017	HDC
9.	**Otropunto Corp.**	61,068.00	1/16/2016-1/15/2018	HDC

EMPLOYEES

As of June 30, 2017, the Company has a total of 455 employees. This is broken down as follows:

Function	Number of Employees
Managers	51
Finance and Accounting Staff	68
Conversion Staff	23
Credit & Collection Staff	79
Documentation Staff	73
Pre-documentation Staff	22
Human Resources/Administrative Assistant	50
Management Information Systems Staff	13
Planning/Engineering Staff	42
Audit	6
Executive Office (librarians, multi media, IRO)	9
Sales & Marketing	14
Treasury	5

Total	455

The Company does not currently anticipate hiring a significant number of additional employees within the next twelve months, but it may look to hire as necessary subject to any changing needs of the business. Furthermore, as of the date of this Prospectus, there is no existing collective bargaining agreement between the Company and its employees, and the Company's employees are not part of any labor union. The Company has not experienced any disruptive labor disputes, strikes or threats of strikes, and management believes that the Company's relationship with its employee in general is satisfactory. The Company complies with minimum compensation and benefits standards as well as all other applicable labor and employment regulations.

INTELLECTUAL PROPERTY

The Company has been granted the certificate of registration of the "DECA Homes", "Urban DECA Homes" and "Urban DECA Towers" trademarks by the Philippine Intellectual Property Office. These trademarks are important in the aggregate because name recognition and exclusivity of use are contributing factors to the success of the Company's and its Subsidiaries' property developments. In the Philippines, certificates of registration of a trademark filed with the Philippine Intellectual Property Office prior to the effective date of the Philippine Intellectual Property Code in 1998 are generally effective for a period of 20 years from the date of the certificate, while those filed after the Philippine Intellectual Property Code became effective are generally effective for a shorter period of 10 years, unless terminated earlier.

HEALTH, SAFETY AND ENVIRONMENT

The Company regards occupational health and safety as one of its most important corporate and social responsibilities and it is the Company's corporate policy to comply with existing environmental laws and regulations. The Company maintains various environmental protection systems and conducts regular trainings on environment, health and safety.

INSURANCE

The Company has insurance coverage that is required in the Philippines for real and personal property. Subject to the customary deductibles and exclusions, the Company carries all-risks insurance during the project construction stage. The Company also requires all of its purchasers to carry fire insurance and sales redemption insurance, for which it pays the annual premium upfront to the insurer and charges purchasers on a monthly basis. For its vertical projects, the Company requires its general contractors to carry all-risks insurance for the period of building construction. The Company does not carry business interruption insurance. See "Risk Factors — Risks Related to the Company's Business — Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance."

LEGAL PROCEEDINGS

As of September 30, 2017, neither the Company nor any of its Subsidiaries or affiliates are involved in, or the subject of, any legal proceedings which, if determined adversely to the Company or the relevant Subsidiary's or affiliate's interests, would have a material effect on the business or financial position of the Company or any of its Subsidiaries or affiliates.

SUBSIDIARIES

The following table presents certain information regarding the Company's Subsidiaries as of June 30, 2017.

Subsidiary	Country of incorporation	Total Assets	Company's Ownership Interest	Company's Share in Net Income/(Loss) for Half 1 2017
		(₱ in millions, except percentages)		
8990 Housing	Philippines	30,833	100%	914
8990 Luzon	Philippines	5,799	100%	137
8990 Mindanao	Philippines	383	100%	8
8990 Davao	Philippines	1,777	100%	43
8990 Leisure	Philippines	13	100%	0
Fog Horn	Philippines	3,787	100%	187

8990 Housing

Established on March 20, 2003, 8990 Housing is flagship subsidiary of the Company. Its primary purpose is to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments and other structures. 8990 Housing registered with the Philippine SEC on March 20, 2003. Its principal office address is 8990 Bldg., Negros Street, Cebu Business Park, Cebu City.

8990 Luzon

8990 Luzon is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Philippine SEC on October 28, 2008. 8990 Luzon engages in acquiring by purchase, lease, donation or otherwise, and own, using, improving, developing, subdividing, selling, mortgaging, exchanging, leasing and holding for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances. The registered principal office address of 8990 Luzon is 8990 Bldg., Negros Street, Cebu Business Park, Cebu City.

8990 Mindanao

8990 Mindanao is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Philippine SEC on September 17, 2009. 8990 Mindanao primarily engages in developing Mass Housing projects. Its registered principal office address is 8990 Corporation Center, Quirino Avenue, Davao City. 8990 Mindanao owns certain parcels of land used for the Company's development projects.

8990 Davao

8990 Davao is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Philippine SEC on September 17, 2009. 8990 Davao primarily engages in the Mass Housing development business. Its registered principal office address is Door 4, Evelyn Eleminio Building, Cervantes cor. Lacson Streets, Barangay Obrero, Davao City. 8990 Davao owns certain parcels of land used for the Company's development projects.

8990 Leisure

8990 Leisure is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Philippine SEC on November 24, 2009. 8990 Leisure engages in acquiring, purchasing, holding, managing, developing and selling land with or without buildings or improvements for such consideration and in such manner or form as the company may determine of as the law permits, erecting, constructing, altering, managing, operating, leasing in whole or in part, buildings and tenements of the company or other persons, engages in real estate consultation and management including identifying, purchasing, conceptualizing, preparing master plans and layouts for land and building developments, managing the properties of and advising clients, developing or executing plans, undertaking project management and overseeing construction, except for management of funds, portfolios, securities and other similar assets. 8990 Leisure owns certain parcels of land used for the Company's development projects. 8990 Leisure's principal office address is 2nd Floor PGMC Bldg., 76 Calbayog St. corner Libertad St., Mandaluyong City.

Fog Horn

Fog Horn is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Philippine SEC on January 14, 2004. Fog Horn engages in acquiring by purchase, lease, donation or otherwise, and own, using, improving, developing, subdividing, selling, mortgaging, exchanging, leasing and holding for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances. Fog Horn's registered principal office address is located at the 2nd Floor PGMC Bldg., 76 Calbayog St. corner Libertad St., Mandaluyong City.

MATERIAL PERMITS AND LICENSES

Set out below are the Company's major permits and licenses necessary to operate its business. Based on the opinion issued by an independent counsel, Atty. Mariel A. Yanogacio, and unless otherwise indicated below, the material permits and licenses required for the Company's operations are valid and subsisting.

HLURB Certifications

Company	Branch	Project	Issue Date
8990 Housing	Cebu	Deca Homes Minglanilla Phase 2 to 6 Subdivision	2/17/2017
8990 Housing	Cebu	Urban Deca Homes Tisa	2/17/2017
8990 Housing	Cebu	Urban Deca Homes Cortes	2/17/2017
8990 Housing	Cebu	Minglanilla Homes Subdivision	2/17/2017
8990 Housing	Cebu	Deca Homes Baywalk Talisay 3	2/17/2017
8990 Housing	Cebu	Deca Homes Tunghaan Subdivision	2/17/2017
8990 Housing	Cebu	Deca Homes Baywalk Talisay 2	2/17/2017
Fog Horn Inc	Cebu	Deca Homes - Talisay	2/17/2017
Fog Horn Inc	Cebu	Urban Deca Homes - Tipolo Condominium	2/17/2017
8990 Housing	Davao	Deca Homes Esperanza Subdivision	2/9/2017
8990 Davao	Davao	Deca Homes Indangan Phase 2	2/9/2017
8990 Davao	Davao	Deca Homes Indangan Phase 1	2/9/2017
8990 Davao	Davao	Deca Homes Indangan Phase 2	2/9/2017
8990 Davao	Davao	Deca Homes Indangan Phase 3	2/9/2017
8990 Davao	Davao	Deca Homes Indangan Phase 4	2/9/2017
8990 Mindanao	Davao	Deca Homes Catalunan Grande	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences Prime	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences Subdivision	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences Phase 10	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences Phase 11	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences Phase 12	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences Phase 12	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences Phase 8-A	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences Phase 8-B	2/9/2017
8990 Housing	Davao	Deca Homes Resorts Residences Phase 8-C	2/9/2017
8990 Housing	Davao	Deca Homes Resort Residences Phase 9	2/9/2017
8990 Housing	Davao	Deca Homes Resort Residences Executive	2/9/2017
8990 Housing	Gensan	Deca Homes Gensan 1	2/9/2017
8990 Housing	Iloilo	Deca Homes Pavia	2/16/2017
8990 Housing	Iloilo	Deca Homes Pavia Phase 2	2/16/2017
8990 Housing	Iloilo	Deca Homes Pavia Resort Residences	2/16/2017
8990 Housing	Iloilo	Deca Homes Pavia Resort Residences Phase 2	2/16/2017
8990 Housing	NCR	Urban Deca Homes Campville	3/9/2017
8990 Housing	NCR	Urban Deca Towers Edsa	3/9/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 9	4/3/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 1	4/3/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 2	4/3/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 2	4/3/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 10	4/3/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 11	4/3/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 3	4/3/2017

8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 4	4/3/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 5	1/9/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 6	4/3/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 7	4/3/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 8	4/3/2017
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 9	4/3/2017
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 1	2/22/2017
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 2	2/22/2017
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 3	2/22/2017
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 4	2/22/2017
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 5	2/22/2017
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 6	2/22/2017
8990 Housing	South Luzon	Urban Deca Homes Hampton	2/7/2017
8990 Housing	South Luzon	Deca Homes Tanza (Fromerly Al Mare Homes)	2/22/2017
8990 Housing	South Luzon	Marseilles Subdivision	2/22/2017

License to Sell

Company	Branch	Project	LTS #	Issue Date
8990 Housing	Cebu	Deca Homes Minglanilla Phase 2 to 6 Subdivision	10507	6/21/2004
8990 Housing	Cebu	Urban Deca Homes Tisa	27212	6/30/2014
8990 Housing	Cebu	Urban Deca Homes Cortes	31028-31029	5/26/2016
8990 Housing	Cebu	Minglanilla Homes Subdivision	20683	6/3/2008
8990 Housing	Cebu	Deca Homes Baywalk Talisay 3	30368	10/22/2015
8990 Housing	Cebu	Deca Homes Tunghaan Subdivision	10960	9/1/2004
8990 Housing	Cebu	Deca Homes Baywalk Talisay 2	26278	12/28/2012
Fog Horn Inc	Cebu	Deca Homes - Talisay	21702	5/28/2009
Fog Horn Inc	Cebu	Urban Deca Homes - Tipolo Condominium	25454	5/8/2012
8990 Housing	Cebu	Deca Homes Danao Phase 2 & 3 Subdivision	14823	9/22/2005
8990 Housing	Cebu	Deca Homes Subdivision	9678	10/10/2003
8990 Housing	Cebu	Deca Homes Mactan 1 Subdivision	11548	12/6&8/2004
8990 Housing	Cebu	Deca Homes Mactan 2 Subdivision	14752	9/22/2005
8990 Housing	Cebu	Deca Homes Mactan 4	21707	7/28/2009
8990 Housing	Cebu	Deca Homes Mactan 5 Subdivision	21752	3/8/2010
8990 Housing	Cebu	Deca Homes Our Lady of Guadalupe	29516	1/6/2015
8990 Housing	Cebu	Deca Homes Our Lady of Guadalupe	29518	1/6/2015
8990 Housing	Cebu	Deca Homes Mandaue Subdivision	18381	10/15/2007
8990 Housing	Cebu	Deca Homes Mactan 3 Subdivision	19453	12/20/2007
8990 Housing	Cebu	Minglanilla Homes Phase 1 Subdivision	7987	8/14/2003
8990 Housing	Davao	Deca Homes Esperanza Subdivision	23511	7/14/2010
8990 Davao	Davao	Deca Homes Indangan Phase 2	29353	10/22/2014
8990 Davao	Davao	Deca Homes Indangan Phase 1	26603	10/30/2013
8990 Davao	Davao	Deca Homes Indangan Phase 2	29353	10/22/2014
8990 Davao	Davao	Deca Homes Indangan Phase 3	30079	10/13/2015
8990 Davao	Davao	Deca Homes Indangan Phase 4	30079	10/13/2015

8990 Mindanao	Davao	Deca Homes Catalunan Grande	30080	10/13/2015
8990 Housing	Davao	Deca Homes Resorts Residences Prime	29380	5/26/2015
8990 Housing	Davao	Deca Homes Resorts Residences Subdivision	17803	8/16/2007
8990 Housing	Davao	Deca Homes Resorts Residences Phase 10	22857	8/12/2009
8990 Housing	Davao	Deca Homes Resorts Residences Phase 11	30062	7/9/2015
8990 Housing	Davao	Deca Homes Resorts Residences Phase 12	30088	10/29/2014
8990 Housing	Davao	Deca Homes Resorts Residences Phase 12	26590	4/25/2013
8990 Housing	Davao	Deca Homes Resorts Residences	24818	5/18/2012
8990 Housing	Davao	Deca Homes Resorts Residences	24848	12/20/2012
8990 Housing	Davao	Deca Homes Resorts Residences	26602	10/29/2013
8990 Housing	Davao	Deca Homes Resorts Residences Phase 8-A	23510	7/14/2010
8990 Housing	Davao	Deca Homes Resorts Residences Phase 8-B	22851	10/5/2010
8990 Housing	Davao	Deca Homes Resorts Residences Phase 8-C	26600	10/29/2013
8990 Housing	Davao	Deca Homes Resort Residences Phase 9	26582	2/25/2013
8990 Housing	Davao	Deca Homes Resort Residences Executive	26592	6/28/2013
8990 Housing	Davao	Deca Homes Mulig	32708	4/6/2017
8990 Housing	Gensan	Deca Homes Gensan 1	30098	11/27/2015
8990 Housing	Iloilo	Deca Homes Pavia	23107	1/29/2010
8990 Housing	Iloilo	Deca Homes Pavia Phase 2	25777	10/29/2012
8990 Housing	Iloilo	Deca Homes Pavia Resort Residences	26717	11/5/2014
8990 Housing	Iloilo	Deca Homes Pavia Resort Residences Phase 2	31949	5/25/2017
8990 Housing	NCR	Urban Deca Homes Campville	29954	6/3/2015
8990 Housing	NCR	Urban Deca Towers Edsa	29267	10/17/2014
Fog Horn Inc	North Luzon	Savannah Green Plains 1	15615	12/18/2006
Fog Horn Inc	North Luzon	Savannah Green Plains 2	17934	2/4/2008
Fog Horn Inc	North Luzon	Savannah Green Plains 3	23016	11/9/2009
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 9	31842	3/10/2016
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 1	24328	1/30/2012
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 2	28636	10/24/2013
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 2	28635	10/24/2013
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 10	31157	4/11/2016
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 11	30644	9/29/2015
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 3	29602	12/16/2014
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 4	29603	12/16/2014
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 5	26792	3/19/2013
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 6	26791	3/19/2013
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 7	30003	4/8/2015
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 8	30002	4/8/2015
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 9	31156	9/20/2016
8990 Housing	North Luzon	Urban Deca Homes - Marilao Subdivision	31216	7/27/2016
8990 Housing	North Luzon	Urban Deca Homes - Marilao Subdivision	32643	8/17/2017
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 1	26124	11/13/2012
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 2	30553	9/30/2015
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 3	30511	12/2/2015
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 4	29066	9/22/2014

8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 5	29750	12/1/2014
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 6	29863	6/22/2015
8990 Housing	South Luzon	Urban Deca Homes Hampton	31263	6/1/2016
8990 Housing	South Luzon	Urban Deca Homes Mahogany	31432	9/5/2016
8990 Housing	South Luzon	Deca Homes Tanza (Fromerly Al Mare Homes)	29862	6/22/2015
8990 Housing	South Luzon	Marseilles Subdivision	28943	10/8/2014

Environmental Compliance Certificates

Company	Branch	Project	ECC
8990 Housing	NCR	Urban Deca Homes Campville	ECC-NCR-1501-0010
Fog Horn Inc	North Luzon	Savannah Green Plains 1	03-PA-00609-09-257-212A
Fog Horn Inc	North Luzon	Savannah Green Plains 2	03-PA-00609-09-257-212A
Fog Horn Inc	North Luzon	Savannah Green Plains 3	03-PA-00609-09-257-212A
8990 Housing	Cebu	Deca Homes Danao Phase 2 & 3 Subdivision	07-02-02-15-0066-212
8990 Housing	Cebu	Deca Homes Subdivision	07-02-02-15-0066-212
8990 Housing	Cebu	Deca Homes Minglanilla Phase 2 to 6 Subdivision	07-03-10-28-0454-212
8990 Housing	Cebu	Deca Homes Mactan 1 Subdivision	07-04-09-22-0502-212
8990 Housing	Cebu	Deca Homes Mactan 2 Subdivision	07-04-09-22-0503-212
8990 Housing	Cebu	Urban Deca Homes Tisa	07-05-11-25-0365-212
8990 Housing	Gensan	Deca Homes Gensan 1	12-04-09-08-153-212
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 1	ECC - 4A-2002-625-211
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 2	ECC - 4A-2002-625-211
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 3	ECC - 4A-2002-625-211
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 4	ECC - 4A-2002-625-211
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 5	ECC - 4A-2002-625-211
8990 Luzon	South Luzon	Bella Vista Subdivision Cluster 6	ECC - 4A-2002-625-211
8990 Housing	Cebu	Urban Deca Homes Cortes	ECC- OL-R07-2016-0051
8990 Housing	South Luzon	Urban Deca Homes Hampton	ECC-389-CA-212-98
8990 Housing	South Luzon	Urban Deca Homes Mahogany	ECC-4A-2003-176-211
8990 Housing	NCR	Urban Deca Towers Edsa	ECC-NCR-1407-0273
8990 Housing	Davao	Deca Homes Esperanza Subdivision	ECC-R11-0805-075-8420
8990 Davao	Davao	Deca Homes Indangan Phase 2	ECC-R11-1208-0128
8990 Davao	Davao	Deca Homes Indangan Phase 1	ECC-R11-1208-0128
8990 Davao	Davao	Deca Homes Indangan Phase 2	ECC-R11-1208-0128
8990 Davao	Davao	Deca Homes Indangan Phase 3	ECC-R11-1208-0128
8990 Davao	Davao	Deca Homes Indangan Phase 4	ECC-R11-1208-0128
8990 Mindanao	Davao	Deca Homes Catalunan Grande	ECC-R11-1311-0245
8990 Housing	Davao	Deca Homes Resorts Residences Prime	ECC-R11-1405-0089
8990 Housing	Davao	Deca Homes Mulig	ECC-R11-1610-0026
8990 Housing	South Luzon	Deca Homes Tanza (Fromerly Al Mare Homes)	ECC-R4A-1002-0037
8990 Housing	Iloilo	Deca Homes Pavia	ECC-R6-0908-265-8420
8990 Housing	Iloilo	Deca Homes Pavia Phase 2	ECC-R6-0908-265-8420

8990 Housing	Iloilo	Deca Homes Pavia Resort Residences	ECC-R6-1411-0415-8420A
8990 Housing	Iloilo	Deca Homes Pavia Resort Residences Phase 2	ECC-R6-1411-0415-8420A/ECC-R18-1610-0012-8420
8990 Housing	Davao	Deca Homes Resorts Residences Subdivision	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resorts Residences Phase 10	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resorts Residences Phase 11	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resorts Residences Phase 12	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resorts Residences Phase 12	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resorts Residences	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resorts Residences	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resorts Residences	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resorts Residences Phase 8-A	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resorts Residences Phase 8-B	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resorts Residences Phase 8-C	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resort Residences Phase 9	ECC-XI-1019-187-8420
8990 Housing	Davao	Deca Homes Resort Residences Executive	ECC-XI-1019-187-8420
8990 Housing	Cebu	Minglanilla Homes Subdivision	R07-0801-0050-212
8990 Housing	Cebu	Deca Homes Mactan 4	R07-0903-080-212
8990 Housing	Cebu	Deca Homes Mactan 5 Subdivision	R07-1001-0016
8990 Housing	Cebu	Deca Homes Our Lady of Guadalupe	R07-1402-0032
8990 Housing	Cebu	Deca Homes Our Lady of Guadalupe	R07-1402-0032
8990 Housing	Cebu	Deca Homes Baywalk Talisay 3	R07-1505-0089
8990 Housing	North Luzon	Urban Deca Homes - Marilao Subdivision	R3-03092016-3848
8990 Housing	North Luzon	Urban Deca Homes - Marilao Subdivision	R3-03092016-3848
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 9	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 1	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 2	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resorts Phase 2	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 10	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 11	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 3	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 4	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 5	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 6	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 7	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 8	R3-0907-329-8420
8990 Luzon	North Luzon	Deca Clark Residences and Resort Phase 9	R3-0907-329-8420
8990 Housing	Manila	Urban Deca Homes Tondo	ECC-NCR-1605-0029
8990 Housing	Cebu	Deca Homes Mandaue Subdivision	07-07-06-18-211-212

REGULATORY FRAMEWORK

Laws on housing and land projects

Presidential Decree No. 957: The Subdivision and Condominium Buyers' Protective Decree

Presidential Decree No. 957, or the Subdivision and Condominium Buyers' Protective Decree ("PD 957"), as amended, is the principal statute regulating the development and sale of real property as part of a condominium or subdivision project. It was enacted pursuant to the policy of the state to ensure that real estate subdivision owners, developers, operators, and/or sellers provide and properly maintain roads, drainage, sewerage, water systems, lighting systems and other similar basic requirements in order to guarantee the health and safety of home and lot buyers. PD 957 covers condominium and subdivision projects for residential, commercial, industrial and recreational areas as well as open spaces and other community and public areas in the project. The Housing and Land Use Regulatory Board ("HLURB") is the administrative agency of the government which, together with local government units, enforces PD 957 and has jurisdiction over real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are required to be filed with and approved by HLURB and relevant local government unit where the project is situated. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Before it is approved, the subdivision plan must comply with the Subdivision Standards and Regulations. On the other hand the condominium plan, in addition to complying with the same procedure, must also comply with Presidential Decree No. 1096, or the National Building Code, with respect to the building(s) included in the condominium project. The owner or developer shall submit the condominium plan in accordance with the requirements of the National Building Code to the building official of the city or municipality where the property lies and the same shall be acted upon subject to the conditions in accordance with the procedure prescribed in Section 4 of Republic Act No. 4726, or the Condominium Act.

Alterations of approved condominium plans affecting significant areas of the project, such as infrastructure and public facilities, also require prior approval of HLURB and the city or municipal engineer.

The development of subdivision and condominium projects can only commence after the relevant government bodies have issued the required development permit and the necessary building or construction permits in accordance with the requirements of the city or municipality where the property lies. The issuance of a development permit is dependent on, among other things: (i) compliance with required project standards and technical requirements that may differ depending on the nature of the project; and (ii) issuance of the barangay clearance, the locational and zoning clearance, permits issued by the Department of Environment and Natural Resources ("DENR") such as the Environmental Compliance Certificate ("ECC"), conversion order or exemption clearance from the Department of Agrarian Reform ("DAR"), permit to drill from the National Water Resources Board, and such other permits and approvals. In cases where the property involved is located in an area already classified as residential, commercial, industrial or other similar development purposes, a DAR conversion order shall no longer be required as a precondition for issuance of certificate of registration and license to sell.

Developers who sell lots or units in a subdivision or a condominium project are required to register the project with and obtain a license to sell from HLURB. Subdivision or condominium units may only be sold or offered for sale after a license to sell has been issued by HLURB. Further, to ensure that the owner or developer of a proposed subdivision or condominium project shows firm commitment to proceed with a project, current HLURB regulations require minimum developments before the issuance of a license to sell: (a) for subdivision projects, proof of land clearing and grubbing, road tracing and entrance gate if included in the brochure or advertisement; and (b) for condominium projects, excavation per approved plan/excavation permit is required.

As a requisite for the issuance of a license to sell, developers are required to file with HLURB any of the following to guarantee the construction and maintenance of roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance with applicable laws, rules and regulations:

1. a surety bond equivalent to 20% of the development cost of the unfinished portion of the approved plan, issued by a duly accredited bonding company (whether private or government), and acceptable to HLURB;

2. a real estate mortgage executed by the applicant developer as mortgagor in favor of the Republic of the Philippines, as represented by HLURB as mortgagee over property other than that subject of the application, free from any liens and encumbrance and provided that the value of the property, computed on the basis of the zonal valuation of the Bureau of Internal Revenue, shall be at least 20% of the total development cost; or

3. other forms of security equivalent to 10% of the development cost of the unfinished portion of the approved plan which may be in the form of the following:

    a) a cash bond;
    b) a fiduciary deposit made with the cashier and/or disbursing officer of HLURB;
    c) a certificate of guaranty deposit issued by any bank or financing institution of good standing in favor of HLURB for the total development cost;
    d) a letter from any bank of recognized standing certifying that so much has been set aside from the bank account of the developer in favor of HLURB, which amount may be withdrawn by HLURB at any time the developer fails or refuses to comply with its duties and obligations under the bond contract; or
    e) any irrevocable credit line to be utilized in the development of the project from any bank of recognized standing and a refinancing re-structuring program indicating sources of funding from duly accredited funding institutions.

The HLURB is vested with quasi-judicial powers and regulatory functions necessary for the enforcement and implementation of PD 957. Among these regulatory functions are: (i) regulation of the real estate trade and business; (ii) registration of subdivision lots and condominium projects; (iii) issuance of license to sell subdivision lots and condominium units in the registered units; (iv) approval of performance bond and the suspension of license to sell; (v) registration of dealers, brokers and salesman engaged in the business of selling subdivision lots or condominium units; (vi) revocation of registration of dealers, brokers, and salesmen; (vii) approval of mortgage on any subdivision lot or condominium unit made by the owner or developer; (viii) granting of permits for the alteration of plans and the extension of period for completion of subdivision or condominium projects; (ix) approval of the conversion to other purposes of roads and open spaces found within the project which have been donated to the city or municipality concerned; (x) regulation of the relationship between lessors and lessees; and (xi) hear and decide cases on unsound real estate business practices, claims involving refund filed against project owners, developers, dealers, brokers or salesmen, and cases of specific performance.

The HLURB is also authorized, *motu proprio* or upon verified complaint filed by a buyer of a subdivision lot or condominium unit, to revoke the registration of any subdivision or condominium project and the license to sell any subdivision lot or condominium unit in said project upon showing that the owner or dealer:

a) is insolvent;
b) has violated any of the provisions of PD 957, or any applicable rule or regulation of HLURB, or any undertaking under his/its bond;
c) has been or is engaged or is about to engage in fraudulent transactions;
d) has made any misrepresentation in any Prospectus, brochure, circular, or other literature about the subdivision project or condominium project that has been distributed to prospective buyers; or
e) does not conduct his business in accordance with law or sound business principles.

A license or permit to sell may only be suspended, cancelled or revoked after a written notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with HLURB's rules of procedure and other applicable laws.

Pursuant to its regulatory functions, HLURB recently issued Memorandum Circular No. 3, Series of 2016, or the 2015 Guidelines on Time of Completion ("Guidelines"). Under the Guidelines, every owner or developer is required to complete a project, including the construction and provision of amenities and facilities, improvements, infrastructures and other forms of development such as water supply and electrical facilities, which are offered and indicated in the approved project plans, brochures, prospectus, printed matters, letters or any form of advertisement, within one (1) year from the date of the issuance of the license to sell of the project, or such other period of time as may be fixed by HLURB.

In the case of residential subdivision project with house and lot package, there are separate periods of completion for land development and house construction. For land development, the work program or program of development submitted for approval by the owner or developer upon application for the project's Certificate of Registration and License to Sell shall primarily be the basis for fixing the period of completion. Subdivision or condominium amenities and facilities included in the approved project plans, brochures, prospectus, printed matters, letters or any forms of advertisement, should also be developed and completed within the submitted and approved period for the project's land development.

On the other hand, for projects with housing components, the period of completion and delivery of any housing unit purchased shall be explicitly provided in the contract to sell or any purchase agreement, and in the absence of such provision or in case of failure to indicate the same, the period of completion and delivery of the housing unit shall in no case exceed one (1) year from the date of purchase.

Generally, no extension or additional period of time may be granted by HLURB to develop and complete the project unless such failure or inability of the owner or developer to complete the project within the original period is caused by any of the following exceptional circumstances:

1. Existence of sub-soil conditions discoverable only after actual excavation works in the project and would necessarily require additional excavation time;

2. Occurrence of an event which is independent of the will of the owner or developer, unforeseeable or unavoidable, and causes damage to the on-going project that requires reconstruction or causes delays which are directly attributable to the event and renders its completion within the original approved period impossible in a normal manner; provided, that the owner or developer did not participate or aggravate the damage sustained by the project; or

3. An issuance of a lawful order of the court, government agency or local government unit resulting to the temporary enjoinment or stoppage of the construction or development of the project, except when the issuance of such order is attributable to any fault, mistake, or negligence on the part of the owner or developer, or by reason of any dispute between the owner and developer in the development and completion of the project.

In such exceptional circumstances, the project owner or developer is required to report the event to the Regional Field Office (RFO) of HLURB where the project is registered within thirty (30) days from its occurrence to put on record such event and its effect on the project, and also to notify all lot or unit buyers or owners of its intent to apply for additional time to complete the development of the project. The grant of additional time to complete the project is only effective upon posting by the owner or developer of an acceptable performance bond or security in accordance with existing HLURB rules and guidelines.

Except in cases falling under the exceptional circumstance enumerated above, the non-completion of the project within the approved time of completion shall entitle an affected buyer to exercise its rights in accordance with PD 957 and the Civil Code of the Philippines, in addition to other rights and remedies provided for by other laws.

The non-completion of the project within the approved period time of completion may also subject the owner or developer to administrative fines and sanctions such as the suspension of its license to sell and issuance of a corresponding Cease and Desist Order enjoining the owner or developer from further selling any lot, building or improvement or any unit in a project, from advertising the project, and from collecting amortization payment until the project shall have been completed and a Certificate of Completion has been issued by HLURB for the project.

B.P. 220: An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing Projects in Urban and Rural Areas from those Provided under Presidential Decrees Numbered Nine Hundred Fifty-Seven, Twelve Hundred Sixteen, Ten Hundred Ninety-Six, and Eleven Hundred Eighty-Five

The Act and its Implementing Rules and Regulations ("Act-IRR") apply to the development of economic and socialized housing projects in urban and rural areas. Likewise, they apply to the development of either a house and lot or a house or lot only ("covered project").

Under these issuances, the covered project must be approved by the HLURB or the LGU, as the case may be, before it commences. The approval of the Preliminary Subdivision Development Plan is valid only for a period of 180 days from approval. Further, the development design and plans must undergo survey and evaluation conducted by HLURB. The Act-IRR adopted the rules set out by P.D. 957 and its Implementing Rules.

It also sets forth minimum design standards and technical guidelines which are different from those under P.D. 957 (The Subdivision and Condominium Buyers' Protective Decree), P.D. 1216 (Defining Open Space in residential Subdivision), P.D. 1096 (National Building Code of the Philippines, and P.D. 1185 (Fire Code of the Philippines). However, possible variations of the guidelines and standards may be allowed by the HLURB should the strict observance of such cause unnecessary hardship based on specific regional, cultural and economic setting.

A developer who intends to sell the subdivision or condominium should register the project and obtain a License to Sell ("LTS") from HLURB. The notice on Application for Certificate of Registration must be published at the expense of the applicant, and a billboard notice must be posted on the project site until the issuance of the LTS. Failure to publish the notice within 2 weeks from receipt of notice to publish by HLURB will require the developer to re-file the application for the Certificate of Registration.

In addition to the requirements of registration and LTS, the Act-IRR also requires the submission of a performance bond and payment of prescribed fees. The Act-IRR also proscribes any sale within two weeks from the registration of the project.

The Rules also provides for several obligations of the developer, such as the initiation of organization and registration of a homeowner’s association, and the donation of roads and open spaces found in the project to LGUs of the area after their completion had been certified by the Board.

It must be noted that failure on the part of the developer to develop the project in accordance with the approved project plans within the time specified shall subject the developer to administrative sanctions and penalties. The above-mentioned Guidelines on Time of Completion is also applicable to the projects under this Act.

Further, HLURB mandates subdivision and condominium developer to submit a copy of the special/temporary permit from the Professional Regulation Commission and of the separate permit from the Department of Labor and Employment for foreign architects who signed on plans required under the IRR of PD 957 and B.P. 220.

Executive Order No. 71, Series of 1993

Under *Executive Order No. 71, Series of 1993*, cities and municipalities assume the powers of the HLURB over the following:

a) approval of preliminary as well as final subdivision schemes and development plans of all subdivisions, residential, commercial, industrial, and for other purposes;
b) approval of preliminary as well as final subdivision schemes and development plans of all economic and socialized housing projects;
c) evaluation and resolution of opposition against issuance of development permits for any of said projects; and
d) monitoring the nature and progress of its approved land development projects to ensure their faithfulness to the approved plans and specifications.

Republic Act No. 7279: Urban Development and Housing Act of 1992

Republic Act No. 7279, as amended recently by Republic Act No. 10884, or the Urban Development and Housing Act of 1992, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or project cost, at the option of the developer, within the same city or municipality whenever feasible, and in accordance with the standards set by HLURB and other existing laws. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development.

Republic Act No. 9646: Real Estate Service Act

Real estate dealers, brokers and salesmen are also required to register with HLURB before they can sell lots or units in a registered subdivision or condominium project. Furthermore, no person shall practice or offer to practice real estate service in the Philippines unless he/she has satisfactorily passed the licensure examination given by the Professional Regulatory Board of Real Estate Service. Under Republic Act No. 9646, or the Real Estate Service Act, the real estate service practitioners required to take the licensure examination are:

1. Real estate consultants — duly registered and licensed natural persons who, for a professional fee, compensation or other valuable consideration, offer or render professional advice and judgment on: (i) the acquisition, enhancement, preservation, utilization or disposition of lands or improvements thereon; and (ii) the conception, planning, management and development of real estate projects;

2. Real estate appraisers — duly registered and licensed natural persons who, for a professional fee, compensation or other valuable consideration, perform or render, or offer to perform services in estimating and arriving at an opinion of or act as an expert on real estate values, such services of which shall be finally rendered by the preparation of the report in acceptable written form; or

3. Real estate brokers — duly registered and licensed natural persons who, for a professional fee, commission or other valuable consideration, act as an agent of a party in a real estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate or effect the meeting of the minds on the sale, purchase, exchange, mortgage, lease or joint venture, or other similar transactions on real estate or any interest therein.

Republic Act No. 4726: The Condominium Act

Under the Condominium Act, the owner of a project shall, prior to the conveyance of any condominium therein, register a declaration of restrictions relating to such project, which restrictions shall constitute a lien upon each condominium unit in the project, and shall insure to and bind all condominium owners in the project. Such liens, unless otherwise provided, may be enforced by any condominium owner in the project or by the management body of such project. The Register of Deeds ("RD") shall enter and annotate the declaration of restrictions upon the certificate of title covering the land included within the project.

The declaration of restrictions shall provide for the management of the project by anyone of the following management bodies: a condominium corporation, an association of the condominium owners, a board of governors elected by condominium owners, or a management agent elected by the owners or by the board named in the declaration. It shall also provide for voting majorities, quorums, notices, meeting date, and other rules governing such body or bodies.

Further, any transfer or conveyance of any unit or an apartment, office or store or other space, shall include the transfer or conveyance of the undivided interests in the common areas, or, in a proper case, the membership or shareholdings in the condominium corporation. A condominium corporation shall not, during its existence, sell, exchange, lease, or otherwise dispose of the common areas owned or held by it in the condominium project unless authorized by the affirmative vote of a simple majority of the registered owners with prior notification to all registered owners. Further, the condominium corporation may expand or integrate the project with another upon the affirmative vote of a simple majority of the registered owners, subject only to the final approval of HLURB.

Real estate sales on installments

Republic Act No. 6552: Maceda Law

The provisions of Republic Act No. 6552, or the Maceda Law, apply to all transactions or contracts involving the sale or financing of real estate on installment payments (including residential condominium units but excluding industrial and commercial lots).

Under the provisions of the Maceda Law, where a buyer of real estate has paid at least two years of installments, the buyer is entitled to the following rights in case he/she defaults in the payment of succeeding installments:

1. To pay, without additional interest, the unpaid installments due within the total grace period earned by him, which is fixed at the rate of one month for every one year of installment payments made. However, the buyer may exercise this right only once every five years during the term of the contract and its extensions, if any.

2. If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to 50% of the total payments made, and in cases where five years of installments have been paid, an additional 5% every year (but with a total not to exceed 90% of the total payments); Provided, that the actual cancellation of the contract shall take place after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

The computation of the total number of installment payments made includes down payments, deposits, or options on the contract.

In the event that the buyer has paid less than two years of installments, the seller shall give the buyer a grace period of not less than 60 days from the date the installment became due. If the buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Zoning and land use

Republic Act No. 7160: Local Government Code of the Philippines

A city or municipality may, through an ordinance passed by the Sanggunian, after conducting public hearings for the purpose, authorize the reclassification of agricultural lands and provide for the manner of their utilization or disposition in the following cases: (i) when the land ceases to be economically feasible and sound for agriculture or (ii) where the land shall have substantially greater economic value for residential, commercial or industrial purposes, as determined by the Sanggunian concerned; provided that such reclassification shall be limited to the following percentage of total agricultural land area at the time of the passage of the ordinance:

1. For Highly Urbanized and Independent Component Cities, fifteen percent (15%);

2. For Component Cities and First to Third Class Municipalities, ten percent (10%);

3. For Fourth to Sixth Class Municipalities, five percent (5%).

Zoning ordinances may also limit land use. Once enacted, a comprehensive land use plan approved by the relevant local government unit may restrict land use in accordance with such land use plan. Zoning ordinances may also classify lands as commercial, industrial, residential or agricultural. Lands may also be further re-classified based on a local government unit's future projection of needs.

Republic Act No. 6657: Comprehensive Agrarian Reform Law of 1988

Under Republic Act No. 6657, as amended, or the Comprehensive Agrarian Reform Law of 1988, and such other rules and regulations currently in effect in the Philippines, however, land classified for agricultural purposes as of or after June 1, 1988 cannot be converted to non-agricultural use without the prior approval of the DAR.

Property registration

Presidential Decree No. 1529: Property Registration Decree

The Philippines has adopted a system of land registration, which evidences land ownership that is binding on all persons. Once registered, title to registered land becomes indefeasible after one year from the date of entry of the decree of registration except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, or the Property Registration Decree, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

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

The act of registration shall be the operative act to convey or affect the land insofar as third persons are concerned, and in all cases under the said decree, the registration shall be made in the office of the RD for the province or city where the land lies. Every conveyance, mortgage, lease, lien, attachment, order, judgment, instrument or entry affecting registered land, if filed or entered in the office of the RD for the province or city where the land to which it relates lies, shall be constructive notice to all persons from the time it is registered, filed, or entered in the records of the RD.

All interests in registered land less than ownership (such as liens created by mortgages and leases) shall be registered by filing with the RD the instrument which creates or transfers or claims such interests and by a brief memorandum thereof made by the RD upon the certificate of title, and signed by him. A similar memorandum shall also be made on the owner's duplicate.

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

All documents evidencing conveyances of subdivision and condominium units should also be registered with the RD. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the sales price. In the event a mortgage over the lot or unit is outstanding at the time of the issuance of the title to the buyer, the owner or developer shall redeem the mortgage or the corresponding portion thereof within six months from such issuance in order that the title over any fully paid lot or unit may be secured and delivered to the buyer. To evidence ownership of condominium units, the RD issues a Condominium Certificate of Title.

Nationality Restrictions

The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to corporations the outstanding capital stock of which is at least 60% owned by Philippine Nationals. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%.

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

Considering the foregoing, for as long as the Company or any of its Subsidiaries own land in the Philippines or continue to conduct property development in the Philippines, foreign ownership in the Company is limited to a maximum of 40% of the capital stock of the Company which is outstanding and entitled to vote. Accordingly, the Company shall disallow the issuance or the transfer of Shares to persons other than Philippine Nationals and shall not record transfers in its books if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign ownership discussed above.

Compliance with the required ownership by Philippine Nationals of a corporation is to be determined on the basis of outstanding capital stock whether fully paid or not, but only such stocks which are generally entitled to vote are considered.

In the Philippine Supreme Court case of *Wilson P. Gamboa v. Finance Secretary Margarito B. Teves, et. al.* dated June 28, 2011 (*G.R. No. 176579*) (the "Gamboa Case"), a case involving a public utility company (which under the Philippine Constitution is also subject to the 60-40 rule on capital ownership), the Philippine Supreme Court ruled that the term "capital", as used in Section 11 of Article XII of the Philippine Constitution, refers only to shares of stocks entitled to vote in the election of directors and not to the total outstanding capital stock, because it is the said voting rights which translate to control. The Supreme Court claimed that this interpretation is consistent with the intent of the framers of the Constitution to ensure that the control and management of public utilities remain with Filipino Citizens.

On October 9, 2012, the Supreme Court sitting *en banc* issued a Resolution (the "Gamboa Resolution") and ruled that the term "capital" as refers to both voting control and beneficial ownership of the corporation. The Supreme Court also ruled that in case a corporation engaged in a partially nationalized activity issues a mixture of common and preferred non-voting shares, the 60-40 ownership requirement under the Philippine Constitution must apply not only to shares with voting rights, but separately to all classes of shares issued by a corporation, including shares without voting rights. This is because preferred shares, though denied the right to vote for directors, are still entitled to vote on other corporate matters. Accordingly, at least 60% of the common shares and at least 60% of the preferred non-voting shares of a corporation engaged in a partially nationalized industry must be owned by Filipinos.

Thus, for purposes of establishing compliance with the 60-40 rule on capital ownership under the Philippine Constitution and the Foreign Investments Act, Filipino citizens must own (a) at least 60% of all of the issued and outstanding capital stock of such corporation (regardless of par value, whether voting or non-voting) *and* (b) at least 60% of each class of shares issued by such corporation.

Subsequent to the Gamboa Case cited above, in the December 2012 case of *Express Investments v. Bayan Telecommunications, Inc. (G.R. No. 174457-59),* the Philippine Supreme Court discussed the Gamboa ruling, and clarified that "considering that common shares have voting rights which translate to control as opposed to preferred shares which usually have no voting rights, the term 'capital' in Section 11, Article XII of the Constitution refers only to common shares." In the said case, the Supreme Court, however, added that if the preferred shares also have the right to vote in the election of directors, then the term "capital" shall include such preferred shares because the right to participate in the control or management of the corporation is exercised through the right to vote in the election of directors. The Philippine Supreme Court said that "in short, the term 'capital' in Section 11, Article XII of the Constitution refers only to shares of stock that can vote in the election of directors." This then supersedes the implied pronouncement in the Gamboa Resolution that the 60-40 ownership requirement in favor of Filipino citizens must apply to each class of shares, regardless of voting rights. Thus, the recent decisions of the Supreme Court remain consistent with the Foreign Investments Act, which apply the minimum Filipino requirements only to "shares that are generally entitled to vote."

On May 20, 2013, the SEC issued Memorandum Circular No. 8 or the *Guidelines on Compliance with the Filipino-Foreign Ownership Requirements Prescribed in the Constitution and/or Existing Laws by Corporations Engaged in Nationalized and Partly Nationalized Activities.* The Circular provides that for purposes of determining compliance therewith, the required percentage of Filipino ownership shall be applied to BOTH (a) the total number of outstanding shares of stock entitled to vote in the election of directors; AND (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors." In the 2016 case of *Jose M. Roy III v. Chairperson Teresita Herbosa, et. al* (G.R. No. 207246), the Supreme Court affirmed the validity of Memorandum Circular No. 8 in determining compliance with foreign equity restrictions of corporations engaged in nationalized activities.

In the case of Narra Nickel Mining and Development Corporation, et.al vs. Redmont Consolidated Mines Corp (*G.R. No. 195580, April 21, 2014)* (the "Narra Nickel Case"), the third division of the Supreme Court, in passing upon the nationality of applicants for a Mineral Production Sharing Agreement, stated that while the prevailing rule is still the use of the Control Test, the Grandfather Rule applies in instances when there is doubt as to the proper representation of the Filipino-foreign equity participation (making reference to the 1967 SEC Rules and DOJ Opinion No. 020 Series of 2005). Under the Grandfather Rule, shares owned by corporate shareholders are attributed either as part of Filipino or foreign equity by determining the nationality not only of the corporate shareholders but also such corporate shareholders' shareholders and their shareholders (and down the line).

On 28 January 2015, the Supreme Court issued a Resolution dismissing with finality the Motion for Reconsideration of its decision in the Narra Nickel Case. Thus, the Supreme Court affirmed that the Grandfather Rule is to be used jointly and cumulatively with the Control Test, as follows: (1) if the corporation's Filipino equity falls below sixty percent (60%), it is immediately considered foreign-owned, applying the Control Test; (2) if the corporation passes the Control Test, the corporation will be considered a Filipino corporation only if there is no doubt as to the beneficial ownership and control of the corporation; and (3) if the corporation passes the Control Test but there is doubt as to the beneficial ownership and control of the corporation, the Grandfather Rule must be applied.

Thus, although the Narra Nickel Case in no way abandons the use of the Control Test and the Foreign Investments Act provisions in determining the nationality of a corporation, it appears to expand and/or modify the doctrine laid in the Gamboa Case cited above. Under the Constitution, however, no doctrine or principle of law laid down by the Supreme Court in a decision *en banc* or in division may be modified or reversed except by the court sitting *en banc*.

Environmental laws and safety standards

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate ("ECC") prior to commencement. The DENR, through its regional offices or through the Environmental Management Bureau ("EMB"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("EIS") to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination ("IEE") to the proper DENR regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EIS and ECC are mandatory. In determining the scope of the EIS System, two factors are considered: (i) the nature of the project and its potential to cause significant negative environmental impacts, and (ii) the sensitivity or vulnerability of environmental resources in the project area.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the direct and indirect consequences of the project to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum each contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a government certification that the proposed project or undertaking will not cause a significant negative environmental impact, that the proponent has complied with all the requirements of the EIS System, and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The EGF is intended to meet any damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are required to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. In any case, the establishment of an EMF must not be later than the initial construction phase of the project. The EMF shall be used to support the activities of a multi-partite monitoring team organized to monitor compliance with the ECC and applicable laws, rules and regulations.

While a development project may not fall under the categories wherein an ECC is required, it is still required to obtain a Certificate of Non-Coverage ("CNC") from the EMB or the DENR Regional Office. The applicant must submit a Project Description to the EMB, which will then evaluate whether or not an ECC is required for the project. If an ECC is not required, then the EMB will issue a CNC to be submitted to HLURB.

Aside from the EIS and IEE, engineering, geological and geo-hazard assessments are also required for ECC applications covering subdivisions, housing and other land development and infrastructure projects.

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

All buildings or structures as well as accessory facilities thereto shall conform in all respects to the principles of safe construction under the National Building Code. Aside from the building permit under the National Building Code, an applicant in specific instances may be required to secure a Height Clearance Permit from the Civil Aviation Authority of the Philippines.

Real property taxation

Republic Act No. 7160: Local Government Code of the Philippines

Real property taxes are payable annually or quarterly based on the property's assessed value. Assessed values are determined by applying the assessment levels (fixed by ordinances of the concerned Sanggunian) against the fair market values of real property. Under Republic Act No. 7160, as amended, or the Local Government Code of the Philippines, the assessed value of property and improvements varies depending on the location, use and nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed up to 80% of their fair market values; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. A province or city, or a municipality within Metro Manila may also levy and collect an annual tax of one percent (1%) on the assessed value of real property which shall be in addition to the basic real property tax to accrue exclusively to the Special Education Fund of the local government unit where the property is located.

Construction license

A regular contractor's license is required to be obtained from the Philippine Contractors Accreditation Board ("PCAB"). In applying for and granting such license, PCAB takes into consideration the applicant-contractor's qualifications and compliance with certain minimum requirements in the following criteria: (i) financial capacity, (ii) equipment capacity, (iii) experience of the firm, and (iv) experience of technical personnel. Philippine laws also require a contractor to secure construction permits and environmental clearances from appropriate government agencies prior to actually undertaking each project.

Home Development Mutual Fund

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

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

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

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

Among the benefits of membership, Pag-IBIG members may avail of housing loans to finance the purchase of a fully developed lot not exceeding 1,000 square meters and to construct a residential unit thereon or to purchase a residential unit, whether old or new, with home improvement. The housing loan proceeds may also be used to refinance an existing housing loan with an institution acceptable to Pag-IBIG, provided that, the account reflects a perfect repayment history for at least one (1) year prior to date of application, as supported by the borrower's official receipts.

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

A qualified Pag-IBIG member may borrow up to a maximum amount of Six Million Pesos (₱6,000,000.00), depending on the member's actual need, his loan entitlement based on gross monthly income, his loan entitlement based on capacity to pay, and the loan-to-appraisal value ratio, whichever is lower. The housing loans are charged with interest rates based on Pag-IBIG's pricing framework. Said interest rates are re-priced periodically depending on the chosen re-pricing period of the borrower whether it is after every three (3), five (5), ten (10) or fifteen (15) years. Members are allowed a maximum repayment period for the loan of thirty (30) years.

Pag-IBIG's 2013 Accomplishment Report indicates that a total of ₱46.6 billion was approved for disbursement to finance 63,148 new homes for Pag-IBIG members across the Philippines for 2013.

There are two (2) modes of applying for an Pag-IBIG housing loan: (i) Retail – wherein the member applies directly to the Fund for his/her housing loan application; or (ii) Developer-Assisted – wherein the developer assists the member in his/her housing loan application.

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

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

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

Board of Investments

The Board of Investments ("BOI"), an agency attached to the Department of Trade and Industry, was created under the Omnibus Investment Code of 1987 (Executive Order No. 226, as amended). The BOI is responsible for promoting and assisting local and foreign investors to venture in desirable areas of business or economic activities.

Under the Omnibus Investment Code, preferred areas of activities or projects specified by the BOI in the Investment Priorities Plan ("IPP") enjoy tax exemption and other benefits to enterprises which venture into such projects. Generally, these incentives include the grant of income tax holiday, the duty-free importation of capital goods, exemption from wharfage dues and export tax, and other non-fiscal incentives such as the employment of foreign nationals, streamlined customs procedures, and the importation of consigned equipment.

Depending on whether the activity is classified as a pioneer or a non-pioneer project and provided the registered enterprise meets the project targets, the income tax holiday incentive may be granted for a period of 4 years to a maximum of 6 years. However, for eligible mass housing projects in the National Capital Region, Metro Cebu and Metro Davao region, the BOI limits the Income Tax Holiday incentive granted to such registered project to three years.

Based on the latest BOI guidelines, economic and low-cost housing projects must meet the following criteria to qualify for registration: (a) the selling price of each housing unit shall be more than Four Hundred Fifty Thousand Pesos (₱450,000.00) but not exceeding Three Million Pesos (₱3,000,000.00), (b) the project must have a minimum of 20 livable dwelling units in a single site or building, (c) the project must be new or expanding economic/low-cost housing project, (d) for vertical housing projects, at least 51% of the total floor area, excluding common facilities and parking areas, must be devoted to housing units.

All economic/low-cost housing projects are required to comply with socialized housing requirement by building socialized housing units in an area equivalent to at least 20% of the total registered project area or total BOI registered project cost for horizontal housing and 20% of the total floor area of qualified saleable housing units for vertical housing projects.

Philippine Economic Zone Authority

The Philippine Economic Zone Authority ("PEZA") is an agency attached to the Department of Trade and Industry that promotes investment in areas designated special economic zones around the Philippines.

Under R.A. No. 7916, as amended, or the Special Economic Zone Act of 1995, activities eligible for registration with the PEZA are export-oriented enterprises in the fields of manufacturing, information technology service, agro-industrial, tourism and medical tourism, economic zone development and operation, and logistics and warehousing services for PEZA-registered Export Manufacturing Enterprises.

Generally, enterprises registered with PEZA and PEZA facility developers and operators enjoy fiscal and non-fiscal incentives such as income tax holiday, and duty free importation of equipment, machinery and raw materials. However, the PEZA Board issued PEZA Resolution No. 12-329 on 6 July 2012, excluding information technology ("I.T.") facilities projects approved after the said resolution from enjoying PEZA incentives if the projects are located in the first four (4) PEZA-registered I.T. Parks in Metro Manila (i.e. Eastwood City Cyberpark in Quezon City, Northgate Cyber Zone in Alabang, Muntinlupa City, Robinsons Cyberpark in EDSA, Mandaluyong City and E-Square I.T. Park in Bonifacio Global City, Taguig City) and in Cebu City (Cebu I.T. Park). Notwithstanding, developers and operators of new I.T. Parks and Centers located outside Metro Manila and Cebu City remain entitled to the special five percent (5%) tax on gross income incentive and other fiscal incentives as may be provided by PEZA.

Philippine Competition Act

R.A. No. 10667, or the Philippine Competition Act ("PCA"), is the primary competition policy of the Philippines. It aims to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial economic activities.

The PCA prohibits and imposes sanctions on:

1. Anti-competitive agreements between or among competitors, which restrict competition as to price, or other terms of trade and those fixing price at an auction or in any form of bidding including cover bidding, bid suppression, bid rotation and market allocation and other analogous practices of bid manipulation; and those which have the object or effect of substantially preventing, restricting or lessening competition;

2. Practices which are regarded as abuse of dominant position, by engaging in conduct that would substantially prevent, restrict or lessen competition; and

3. Merger or acquisitions which substantially prevent, restrict or lessen competition in the relevant market or in the market for goods or services.

Moreover, the parties to a merger, acquisition or joint venture are required to comply with the compulsory notification requirements of the Philippine Competition Commission ("PCC"), the agency responsible for the implementation of the PCA, before consummating the transaction where:

1. In a merger or acquisition of assets, the value of the transaction exceeds One Billion Pesos (₱ l,000,000,000.00), and the gross revenue and assets of the ultimate parent entity of one of the parties to the transaction exceeds (₱ l,000,000,000.00); or

2. As a result of a proposed acquisition of voting shares of a corporation or of an interest in a non-corporate entity, the acquiring entity, together with its affiliates, would own thirty-five percent (35%) of the voting shares or shares entitled to profits, or increase the said shareholdings to fifty percent (50%);

3. In a notifiable joint venture transaction, if either (i) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds One Billion Pesos (₱l,000,000,000.00) or (ii) the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed One Billion Pesos (l,000,000,000.00).

An agreement consummated in violation of the compulsory notification requirement shall be considered void, and shall subject the parties to an administrative fine of one percent (1%) to five percent (5%) of the value of the transaction.

CERTAIN LEGAL PROCEEDINGS

As of September 30, 2017, neither the Company nor any of its Subsidiaries are involved in, or the subject of, any legal proceedings which, if determined adversely to the Company or the relevant Subsidiary's interests, would have a material effect on the business or financial position of the Company or any of its Subsidiaries.

MARKET PRICE OF AND DIVIDENDS ON 8990'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common shares have been listed on the Philippine Stock Exchange (PSE) since 2010. The common shares (PSE: HOUSE) closed at ₱4.99 on September 28, 2017.

DIVIDENDS

The declaration and payment of dividends are subject to certain conditions under the Company's existing loan agreements with various institutions. Under said loan agreements, the Company may declare and pay dividends provided: (a) all payments (including pre-payments) due on said loan and premiums on insurance of assets are current and updated; (b) all financial covenants set forth therein are satisfied; (c) certain financial ratios are met and such payment will not result in the violation of the required financial ratios under the loan agreements; and (d) no event of default as provided in the loan agreements shall exist or occur as a result of such payment.

The Company's current dividend policy provides that subject to available cash and existence of Unrestricted Retained Earnings, at least 50% of the net income of 8990 for the preceding fiscal year will be declared as dividends. The Company intends to maintain a consistent dividend payout policy based on its consolidated net income for the preceding fiscal year, subject to the requirements of the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends.

The Company is subject to the following financial covenants under its PHP9 Billion Corporate Bonds (Series A Bonds Due 2020, Series B Bonds Due 2022, and Series C Bonds Due 2025):

(a) Maximum Debt-to-Equity Ratio of 1.50:1:00.

(b) Minimum Current Ratio of 1:00:1:00.

(c) Minimum Debt Service Coverage Ratio of 1.25:100

CASH DIVIDEND

₱0.05 per share
Declaration Date: November 4, 2014
Record date: November 18, 2014
Payment date: December 12, 2014

₱0.18 per share
Declaration Date: February 17, 2015
Record date: March 4, 2015
Payment date: March 30, 2015

₱0.05 per share
Declaration Date: July 27, 2015
Record date: August 10, 2015
Payment date: September 7, 2015

₱0.25 per share
Declaration Date: February 1, 2016
Record date: February 16, 2016
Payment date: February 19, 2016

₱0.05 per share
Declaration Date: November 7, 2016
Record date: November 21, 2016
Payment date: November 28, 2016

₱0.25 per share
Declaration Date: February 6, 2017
Record date: February 20, 2017
Payment date: March 6, 2017

Each of the Subsidiaries has adopted the same dividend policy whereby, subject to available cash and existence of Unrestricted Retained Earnings, at least 50% of the net income of such Subsidiary for the preceding fiscal year will be declared as dividends.

The Subsidiaries of the Company have declared the following dividends over the past two fiscal years:

Subsidiary	2015	2016
8990 HDC	510,000,000	-
8990 Luzon	1,375,899,536	1,375,000,000
8990 Mindanao	-	260,240,500
8990 Davao	959,988,000	263,572,000
Fog Horn	378,000,000	600,000,000
Total	**3,223,887,536**	**2,498,812,500**

HIGH AND LOW SHARE PRICES

The market capitalization of 8990 as of September 28, 2017 based on the closing price of ₱4.99 was approximately ₱27.5 billion.

Quarter	2017			2016			2015			2014		
	High	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**
1st	7.78	6.50	6.80	8.00	6.41	7.85	10.40	6.93	8.70	7.2	6.00	6.58
2nd	6.96	5.93	6.60	8.15	7.41	7.69	9.05	7.15	7.25	8.56	6.11	8.02
3rd	-	-	-	8.34	7.33	7.46	7.96	6.05	6.51	8.41	7.00	7.24
4th	-	-	-	7.67	6.89	7.51	7.37	6.28	7.1	7.85	6.84	7.12

As of September 30, 2017, the foreign equity ownership of the Company is 23.32% based on total issued shares of 5,517,990,720.

The number of shareholders of record as of September 30, 2017 was 41. Common shares outstanding as of September 30, 2017 were 5,517,990,720.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Company's financial results should be read in conjunction with the independent auditors' reports and the Company's audited consolidated financial statements and notes thereto contained in this Prospectus and the section entitled "Selected Financial and Operating Information." The unaudited interim financial statements of the Company as of June 30, 2017 has been disclosed to the PSE and SEC and are also available for viewing in the Company's official website.

This discussion contains forward-looking statements and reflects the current views of the Company with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled "Risk Factors" and elsewhere in this Prospectus.

OVERVIEW

The Company is the largest Mass Housing developer in the Philippines in terms of units licensed under B.P. 220 from 2011 to 2013, according to HLURB. The Company has been developing Mass Housing Projects in high-growth areas across the Visayas, Mindanao and Luzon since 2003. In doing so, the Company has benefited significantly from the industry experience of its Principals who, prior to the establishment of the Company's Subsidiaries and through certain 8990 related companies, developed their first Mass Housing project in 1991 in Cagayan de Oro. The Company has built a reputation of providing quality and affordable homes to consumers in the fast-growing Philippine Mass Housing market. The Company's DECA Homes, Urban DECA Homes, and Urban DECA Towers brands have also gained a strong reputation in the market, resulting in the Company garnering numerous awards such as Best Low Cost Housing Developer (National) awarded last March 2017 by Q Asia's Seal of Product and Quality Service, Top 10 Developers in the Philippines in 2015 & 2016 by BCI Asia, 2016 Outstanding Developer Low Rise Mass Housing by FIABCI-Philippines, 2015 Best Mid-Cap Firm in the Philippines by Finance Asia, and 2015 Prestigious Seal Awardee for Best Developer in Low-Cost Housing by Gawad Sulo Foundation.. As of June 30, 2017, the Company has completed at least 52 Mass Housing projects and is developing another 14 Mass Housing and MRB projects. Across these completed projects, the Company has, since 2003, sold more than 50,000 units, with approximately 31,000 additional units available for development and sale from ongoing projects. The Company also has an identified pipeline of 8 projects scheduled to commence in 2017 and which in total are expected to provide approximately 47,000 units available for sale.

The Company believes that its industry experience has equipped it with the ability to understand the needs, preferences, means and circumstances of consumers in the Philippine Mass Housing market. The Company offers an affordable pricing and payment model, and has developed its CTS Gold in-house financing program to cater to Mass Housing market Filipino consumers who do not have the accumulated savings to pay high down payments for homes but have sufficient recurring income to support monthly amortization payments. Under this program, customers only pay a minimal down payment and can quickly move into their chosen homes. The Company retains ownership of such homes until full payment is made by the customer. The CTS Gold program is further strengthened by the Company's strong relationship with Pag-IBIG, the primary Government agency providing housing financial assistance to Filipinos through the long-established Pag-IBIG housing loan program. The Company has structured the CTS Gold program, in particular the CTS Gold Convertible product, such that the requirements for such product generally mirror the requirements for availing of a Pag-IBIG home loan. This essentially ensures the take-up by Pag-IBIG of such loans upon application for by customers, converting receivables of the Company into cash and lessening the financing and other risks appurtenant to potential buyer defaults.

Consistent with the Company's thrust of providing quality and affordable housing units to its customers, the Company also introduced a pre-cast construction process which enables it to construct and complete residences ready for move-in much faster than under the conventional concrete cinder block method. Through this process, the Company is able to construct townhouses and single-storey attached units in just eight to ten days, with an additional five days for single-storey houses with lofts. The use of this process also allows the Company to realize significant cost savings and enables it to turn over units to its customers in a fast and efficient way.

In addition to horizontal Mass Housing subdivision projects, the Company also develops MRB condominium projects. The Company began development of its first MRB Mass Housing project in Cebu in 2012. Similar MRB projects in Metro Manila started in 2015. The Company plans to develop other MRB projects in other urban areas. In 2015 and 2016, the Company recorded consolidated revenues amounting to ₱9,279.7 million and ₱9,271.3 million, respectively, with resulting total comprehensive income of ₱3,722.5 million and ₱3,575.0 million, respectively.

FACTORS AFFECTING RESULTS OF OPERATIONS

The Company's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have affected the Company's results in the past and which the Company expects to affect its financial results in the future. Factors other than those set out below could also have a significant impact on the Company's results of operations and financial condition in the future. See "Risk Factors."

General Global and Philippine Economic Conditions and the Condition of the Philippine Real Estate and Residential Housing Markets

The Company derives substantially all of its revenue from its Mass Housing development activities in the Philippines. The Philippine real estate and housing markets have historically been affected by the prevailing economic conditions in the Philippines, which may also be affected by the economic conditions in other parts of the world. Accordingly, the Company's results of operations may be significantly affected by the state of the global and Philippine economies generally and specifically the Philippine property and housing markets. The Philippine real estate and housing markets have historically been subject to cyclical trends, and property values have been affected by the supply of and demand for comparable properties, the rate of economic growth, the rate of unemployment and political and social developments in the Philippines. Demand for new residential projects in the Philippines has historically also been affected by, among other things, prevailing political, social and economic conditions in the Philippines, including overall growth levels, the value of the Philippine peso and interest rates, as well as the strength of the economy in other parts of the world, given that a substantial portion of demand comes from overseas Filipino workers. Furthermore, as the Company continues expanding its business, these operations will also be increasingly affected by general conditions in the global and Philippine economies. As a result, the Company expects that its results of operations will continue to vary from period to period largely as a result of general global and Philippine economic conditions.

Collection of Receivables and Resale of Repossessed Units

The Company's results of operations are also affected to some degree by the success and efficiency of its collection of receivables from its customers. Only when the Company experiences any significant delays or defaults on its collection of receivables, could it experience liquidity issues including the inability to meet its obligations as they come due.

In addition, a significant number of defaults in the collection of receivables may result in a significant increase in the Company's housing inventory as a result of repossession as well as increased costs associated with such repossessions. Upon the Company's repossession of a housing unit, the Company recognizes an increase in its inventory measured at the housing unit's fair value at repossession less estimated costs to restore and resell the unit, as compared to the unit's original value at construction. In addition, the Company necessarily incurs various costs associated with the process of repossessing and reselling the unit. Due to the buyer's default, the Company also records a corresponding decline in trade and other receivables for the amount of the carrying value of the relevant installment contract receivable on the date of repossession. Based on Philippine law, at the point of repossession, all amounts paid by the buyer shall be forfeited in favor of the developer should the cancellation occur within two years.

The difference between these two adjustments is recorded by the Company as a gain or loss on repossession. In instances of payment defaults, there can be no guarantee that the Company will be able to dispose of these repossessed units quickly, at acceptable prices or at all.

The Company's gross profit margins may also be affected by the resale of repossessed housing units. Upon the resale of a repossessed unit, the Company recognizes revenues based on the selling price of the unit. However, the relevant cost of sales and services that match these revenues are based on the recorded inventory cost of the unit. These accounting policies result in a structurally lower gross profit margin on the resale of a repossessed unit when compared to the sale of a newly constructed housing unit.

Any of these occurrences in relation to failure to collect receivables from its customers in a timely manner or at all may have some adverse effect on the Company's liquidity, financial condition and results of operations. Additionally, only when a material number of sales of repossessed units happen could it affect the overall gross profit margins presented by the Company, even if the margins recognized by the Company from the sale of newly constructed units remain stable or increase.

Liquidity Risk Management

To better manage its liquidity risk, interest risk, as well as improve its cash conversion cycle, the Company typically enters into take-out arrangements with Pag-IBIG where it will transfer its CTS Gold Convertible receivables within four years in exchange for cash. The acceptance or rejection of a CTS receivable by Pag-IBIG is based on certain guidelines of Pag-IBIG such as employment, number of contributions made by the homeowner/Pag-IBIG member and net disposable income, among other factors. In 2014, the Company was able to take out ₱1,583.5 million worth of receivables from Pag-IBIG Fund. While the company expects that majority of its receivables may be taken out by Pag-IBIG since their buyers are Pag-IBIG housing loan eligible, in the event that a material number of take-up applications are delayed or even denied, whether due to Pag-IBIG or to banks that hold title, the Company's cashflow and recognized revenues could be materially affected. Moreover, the conversion into cash of the Company CTS receivable as a result of take-ups by Pag-IBIG also affects the Company's results of operations. As a greater amount of CTS receivables are converted due to the Company's take-up arrangements, the Company's finance income and receivables decrease while its cash balances correspondingly increase.

In addition to its receivables take-up arrangements with institutions such as Pag-IBIG, the Company also regularly adopts other measures to manage its level of receivables from its housing sales, as well as to generate cash necessary for operations. For example, the Company from time to time enters into loan arrangements with banks against its receivables portfolio as collateral and sells its receivables with recourse. The Company has begun to explore possible securitization transactions with respect to its receivables portfolio. In addition, the Company is also considering the sale of its receivables to banks and other financial institutions on a non-recourse basis. The success of any of these receivable management measures, depending on the amount involved and terms agreed, may affect the Company's results of operations in terms of its liquidity and the levels of its receivable assets.

Interest Rates

The Company generally charges its customers an annual fixed interest rate of 9.5% on their housing loans under the CTS program. The Company's financing arrangements with commercial banks and other financial institutions are typically on a fixed interest basis, with interest rates typically averaging approximately six percent (6%) or seven percent (7%) per annum. As the company typically only needs to borrow approximately half of the amount of loans it grants to its customers, the Company believes that it is substantially protected against fluctuations of interest rates in the market. However, in cases of extraordinary increases in interest rates, such as during the Asian financial crisis of the late 1990s or the global economic downturn of 2008, the Company's financial position and results of operations could be adversely affected.

Tax Incentives and Exemptions

As a developer of low-cost housing with Mass Housing unit price points not exceeding ₱1.9 million (for lots only) or ₱2.2 million (for residential house and lots or other residential dwellings), the Company benefits from an exemption on VAT under current tax laws and regulations. Furthermore, the accreditation of the Company's projects with unit price between ₱450,000 and ₱3,000,000 with the BOI under the IPP allows each accredited project to enjoy certain tax incentives. For each accredited project, the Company's sales of low cost subdivision lots and housing units are currently not subject to corporate income tax. Also, the Company's projects with unit price of ₱450,000 and under are considered socialized housing projects and enjoy income tax free status by virtue of Republic Act No. 7279. See "Regulatory Framework – Board of Investments." As such, the Company's sales of low-cost subdivision lots and housing units of its accredited projects are not subject to 12.0% VAT and corporate income tax. In the event that the Company loses these tax exemptions or incentives or its tax holiday lapses or is not renewed or if there are delays in the approvals for income tax holiday for future projects, these sales would become subject to VAT and corporate income tax. These prospective tax charges will directly affect the Company's net income, and the Company expects that any changes in regulatory and tax policy and applicable tax rates may affect its results of operations from time to time. See "Risk Factors — Risks Related to the Company's Business — The loss of certain tax exemptions and incentives will increase the Company's tax liability and decrease any profits the Company might have in the future."

Price Volatility of Construction Materials and Other Development Costs

The Company's cost of sales is affected by the price of construction materials such as steel, tiles and cement, as well as fluctuations in electricity and energy prices. While the Company, as a matter of policy, attempts to fix the cost of materials components in its agreements with contractors, in cases where demand for steel, tiles and cement are high or when there are shortages in supply, the contractors the Company hires for construction or development work may be compelled to raise their contract prices. With respect to electricity, higher prices generally result in a corresponding increase in the Company's overall development costs. As a result, rising costs for any construction materials or in the price of electricity will impact the Company's construction costs, cost of sales and the price for its products. Any increase in prices resulting from higher construction costs could adversely affect demand for the Company's products and the relative affordability of such products, particularly as a Mass Housing developer. This could reduce the Company's profitability.

With regard to sales of subdivision house and lots, if the actual cost of completing the development of a particular project exceeds the Company's estimates, any increase in cost is recorded as part of the cost of sales of subdivision house and lots in the same project. This means that the cost of sales for future sales in the same project will be higher.

Availability of Suitable Land for Development

The Company meticulously selects the sites for its Mass Housing development projects, typically undergoing a research process of anywhere from six months to one year before deciding to acquire land for its contemplated developments. After beginning in the Visayas and Mindanao, the Company is currently looking to expand its footprint in Luzon and also the Metro and Greater Manila areas. To this end, the Company is currently examining its options for the acquisition of parcels of land in these areas. The Company selects the location of its developments based on numerous factors, such as proximity to public transportation hubs and employment areas, as well as vicinity to retail and other commercial establishments, among others. That said, properties which meet all these criteria may not be available for the price the Company is willing to pay, or the Company may encounter competing offers from other developers who may have more resources at their disposal. If the Company is unable to acquire or select the optimal parcels of land for its development projects and expansion plans or is unable to successfully grow and manage its land bank, its ability to meet its revenue and growth targets may be adversely affected.

Demand for Residential Properties

The Company has benefited from greater demand for residential properties resulting from, among other factors, the growth of the Philippine economy, the increasing number of Filipinos investing in the Philippine real estate market, strong levels of OFW remittances and increasing demand from expatriate Filipinos. In addition, the Company has also benefited specifically from the underserved backlog for Mass Housing in the Philippines in recent years. The increased demand for residential properties has been a significant factor in the Company's increased revenues and profits over the last three years. In response to these developments, the Company has further increased the number of Mass Housing development projects. The Company has also begun to offer new Mass Housing residential products, such as condominiums, to address potential demand from specific target markets. It is unclear whether the demand for housing in the Philippines will remain high or continue to grow or whether the demand for the Company's products will reach the levels anticipated by the Company. Negative developments with respect to demand for housing in the Philippines would in turn have a negative effect on the Company's operational results. Conversely, positive developments in housing demand would likely positively contribute to the Company's operational results as observed in the past.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are those that are both (i) relevant to the presentation of the Company's financial position and results of operations and (ii) require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increase, those judgments become even more subjective and complex. To provide an understanding of how the Company's management forms its judgments about future events, including the variables and assumptions underlying its estimates, and the sensitivity of those judgments to different circumstances, the critical accounting policies discussed below have been identified. While the Company believes that all aspects of its consolidated financial statements should be studied and understood in assessing its current and expected financial condition and results of operations, the Company believes that the critical accounting policies warrant particular attention.

For information on the Company's significant accounting policies and significant accounting judgments and estimates, see Notes 2 and 3 to the Company's audited consolidated financial statements included elsewhere in this Prospectus.

DESCRIPTION OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME LINE ITEMS

The following table sets forth details for the Company's sales and other income line items for the periods indicated.

	2014	2015	2016
	₱	₱	₱
		(Audited)	
		(millions)	

	2014	2015	2016
	₱	₱	₱
		(Audited)	
Revenue	**7657.3**	**9279.7**	**9,271.3**
Cost of Sales and Services	-3,129.70	-4,174.3	-4,270.5
Gross Income	4,527.50	5,105.4	5,000.8
Operating Expenses	-1,545.10	-1,723.8	-1,615.0
Net Operating Income	**2,982.40**	**3,381.6**	**3,385.8**
Finance Costs	-396.3	-614.7	-963.3
Other Income	1,014.30	1,346.9	1,601.0
Income before Income Tax	**3,600.4**	**4,113.8**	**4,023.5**
Provision for Income Tax	-303.8	-410.3	-448.9
Income from continuing operation	3,296.6	3,703.5	3,574.5
Income from discontinued operations	12.4	20.6	-
Net Income	**3,309.0**	**3,724.1**	**3,574.5**
Other Comprehensive Income (Loss)	(2.1)	(1.6)	0.5
Total Comprehensive Income	**3,306.9**	**3,722.5**	**3,575.0**

Revenue

The Company's revenue primarily comprise of those received from its sales of low-cost Mass Housing units and subdivision lots and medium-rise building housing units, rental services and other incidental income relating to its real estate operations, as well as revenues derived from its timeshare and hotel operations.

Cost of Sales and Services

Cost of sales and services comprise (i) the Company's costs of sales from its low-cost Mass Housing sales of housing units and subdivision lots, costs of sales from sales of MRB condominium units and costs of sales from sales of timeshares; (ii) cost of rental services; and (iii) the Company's costs of services from its hotel operations (including room and food and beverage sales).

Operating Expenses

Operating expenses generally include selling and administrative costs that are not directly attributable to the services rendered. Operating expenses of the Company comprise expenses related to marketing and selling, documentation, taxes and licenses, salaries and employment benefits, write-off of assets, provisions for impairment losses, management and professional fees, communication, light and water, provisions for probable losses, security, messengerial and janitorial services, depreciation and amortization, transportation and travel, repairs and maintenance, rent, entertainment, amusement and representation, supplies, provisions for write-down, subscription dues and fees and miscellaneous expenses (such as extraordinary documentation expenses, liquidation and donation expenses, as well as other expenses).

Finance Costs

Finance costs comprise costs associated with the Company's borrowings, accretion of interest, bank charges and net interest expense on its pension obligations.

Other Income

Other income comprises of interest income from installment contract receivables and cash in banks, gain on sale of building and improvements and miscellaneous income (such as retrieval fee, association dues, and transfer fee). The Company also recorded other gains and losses such as a gain from the sale of unquoted debt security classified as loans, and other expenses such as a loss on the sale of a subsidiary.

Provision for Income Tax

Provision for income tax comprises the Company's provisions for regular and minimum corporate income taxes, final taxes to be paid as well as provision for deferred income tax recognized.

RESULTS OF OPERATIONS

Six months ended June 30, 2017 compared to six months ended June 30, 2016

Revenue

For the six months ended June 30, 2017, the Company recorded consolidated revenue of ₱3,041.5 million, a decrease of 35.8% from consolidated revenue of ₱4,735.3 million recorded for the six months ended June 30, 2016. The decrease was mainly attributable to the limited inventory for sale due to the delays in permit.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the six months ended June 30, 2017 was ₱1,284.8 million, a decrease of 36.1% from consolidated cost of sales and services of ₱2,010.0 million recorded for the six months ended June 30, 2016. The decrease was mainly attributable to decreased sales recorded for the period.

Gross Income

The Company's consolidated gross income for the six months ended June 30, 2017 was ₱1,756.7 million, a decrease of 35.5% from consolidated gross income of ₱2,725.3 million recorded for the six months ended June 30, 2016. The Company's gross income margin for the six months ended June 30, 2017 was 57.76%, compared to a gross income margin of 57.55% recorded for the six months ended June 30, 2016. The Company attributes its strong and steady gross income margin to its sound internal financial planning policies with respect to land bank acquisition and project budgeting process.

Operating Expenses

For the six months ended June 30, 2017, the Company recorded consolidated operating expenses of ₱740.9 million, a decrease of 6.0% from consolidated operating expenses of ₱788.0 million recorded for the six months ended June 30, 2016.

Finance Costs

The Company's consolidated finance costs for the six months ended June 30, 2017 were ₱538.0 million, an increase of 30.8% from consolidated finance costs of ₱411.2 million recorded for the six months ended June 30, 2016. The increase was mainly attributable to interest expense resulting from the Company's increased level of debt.

Other Operating Income

For the six months ended June 30, 2017, the Company recorded consolidated other income of ₱846.4 million, an increase from the consolidated other income of ₱750.6 million recorded for the six months ended June 30, 2016. Interest income on the Company's installment contract receivables under its CTS Gold program contributes to the majority of the other income.

Income before Income Tax

The Company's consolidated income before income tax for the six months ended June 30, 2017 was ₱1,337.9 million, a decrease of 41.2% from consolidated income before income tax of ₱2,276.8 million recorded for the six months ended June 30, 2016.

Provision for Income Tax

The Company's consolidated provision for income tax for the six months ended June 30, 2017 was ₱117.0 million, a 22.5% increase from consolidated provision for income tax of ₱95.5 million recorded for the six months ended June 30, 2016.

Net Income

As a result of the foregoing, the Company's consolidated net income for the six months ended June 30, 2017 was ₱1,220.9 million, a decrease of 44.0% from consolidated net income of ₱2,181.3 million recorded for the six months ended June 30, 2016. The Company's consolidated net income margin for the six months ended June 30, 2017 was 40.1%, compared to a consolidated net income margin of 46.1% for the six months ended June 30, 2016.

Year ended December 31, 2016 compared to year ended December 31, 2015

Revenue

For the year ended December 31, 2016, the Company recorded consolidated revenue of ₱9,271.3 million, a decrease of 1% from consolidated sales of ₱9,279.7 million recorded for the year ended December 31, 2015. The decline is due to delayed permits of new projects supposedly launched in 2016.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the year ended December 31, 2016 was ₱4,270.5 million, an increase of 2% from consolidated cost of sales and services of ₱4,174.3 million recorded for the year ended December 31, 2015. The increase was due to more resale units sold for the year. The Company focused on resale units as there were limited inventory for the year due to delayed permits of new projects.

Gross Income

The Company's consolidated gross income for the year ended December 31, 2016 was ₱5,000.8 million, a decrease of 2% from consolidated gross income of ₱5,105.4 million recorded for the year ended December 31, 2015. The Company's gross income margin for the year ended December 31, 2016 was 54%, compared to a gross income margin of 55% recorded for the year ended December 31, 2015. The Company attributes its strong and steady gross income margin to its sound internal financial planning policies with respect to land bank acquisition and project budgeting process.

Operating Expenses

For the year ended December 31, 2016, the Company recorded consolidated operating expenses of ₱1,615.0 million, a decrease of 6% from consolidated operating expenses of ₱1,723.8 million recorded for the year ended December 31, 2015. The increase was mainly attributable to higher marketing and selling expenses, taxes and licenses, write-offs of assets, provisions for impairment losses and miscellaneous expenses.

Operating Income

The Company's consolidated operating income for the year ended December 31, 2016 was ₱3,385.8 million, an increase of 0.12% from consolidated net operating income of ₱3,381.6 million recorded for the year ended December 31, 2015. The Company's consolidated net operating margin was 36.5%, compared to a consolidated net operating margin of 36.4% for the year ended December 31, 2015.

Finance Costs

The Company's consolidated finance costs for the year ended December 31, 2016 were ₱963.3 million, an increase of 56.7% from consolidated finance costs of ₱614.7 million recorded for the year ended December 31, 2015. The increase was mainly attributable to higher level of debt including the fixed-rate corporate bonds.

Other Income

For the year ended December 31, 2016, the Company recorded consolidated other income of ₱1,601.0 million, an increase of 19% from the consolidated other income of ₱1,346.9 million recorded for the year ended December 31, 2015. The increase was mainly attributable to interest income on the Company's higher level of installment contract receivables under its CTS Gold program during the year, consistent with its higher sales volumes.

Income before Income Tax

The Company's consolidated income before income tax for the year ended December 31, 2016 was ₱4,023.5 million, a decrease of 1% from consolidated income before income tax of ₱4,113.9 million recorded for the year ended December 31, 2015.

Provision for Income Tax

The Company's consolidated provision for income tax for the year ended December 31, 2016 was ₱448.9 million, an increase from consolidated provision for income tax of ₱410.3 million recorded for the year ended December 31, 2015.

Net Income

As a result of the foregoing, the Company's consolidated net income for the year ended December 31, 2016 was ₱3,574.5 million, a decrease of 4% from consolidated net income of ₱3,724.1 million recorded for the year ended December 31, 2016. The Company's consolidated net income margin for the year ended December 31, 2016 was 39%, compared to a consolidated net income margin of 40% for the year ended December 31, 2015.

Year ended December 31, 2015 compared to year ended December 31, 2014

Revenue

For the year ended December 31, 2015, the Company recorded consolidated revenue of P9,279.7 million, an increase of 21.2% from consolidated sales of P7,657.3 million recorded for the year ended December 31, 2014. The increase was mainly attributable to increased sales in the Company's real estate operations and timeshare and hotel operations businesses. The Company's real estate operations generated P9,229.4 million in revenues for the year ended December 31, 2015, an increase of 22.6% from the P7,530.1 million in revenues recorded for the year ended December 31, 2014. The improvement was mainly due to an increase in the number of units sold during the year, supported by the growing nationwide market acceptance of the Company's CTS Gold program, as well as price increases.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the year ended December 31, 2015 was P4,174.3 million, an increase of 33.4% from consolidated cost of sales and services of P3,129.7 million recorded for the year ended December 31, 2014. The increase was mainly attributable to increases in costs of sales in the Company's real estate operations and timeshare and hotel operations, consistent with the sales growth of these segments. The Company's real estate operations segment recorded P4,130.9 million in costs of sales and services for the year ended December 31, 2015, an increase of 35.3% from the P3,052.6 million in costs of sales and services recorded for the year ended December 31, 2014. The increase was mainly due to higher sales of housing units and subdivision lots.

Gross Income

The Company's consolidated gross income for the year ended December 31, 2015 was P5,101.4 million, an increase of 12.7% from consolidated gross income of P4,527.6 million recorded for the year ended December 31, 2014. The Company's gross income margin for the year ended December 31, 2015 was 55%, compared to a gross income margin of 59% recorded for the year ended December 31, 2014. The Company attributes its strong and steady gross income margin to its sound internal financial planning policies with respect to landbank acquisition and project budgeting process.

Operating Expenses

For the year ended December 31, 2015, the Company recorded consolidated operating expenses of P1,723.8 million, an increase of 11.6% from consolidated operating expenses of P1,545.1 million recorded for the year ended December 31, 2014. The increase was mainly attributable to higher marketing and selling expenses, taxes and licenses, provisions for impairment losses and miscellaneous expenses.

Finance Costs

The Company's consolidated finance costs for the year ended December 31, 2015 were P614.7 million, an increase of 55.1% from consolidated finance costs of P396.3 million recorded for the year ended December 31, 2014. The increase was mainly attributable to interest expense resulting from the Company's short-term and long-term loans entered into during the year to support its operations and corporate bond issuance.

Other Income

For the year ended December 31, 2015, the Company recorded consolidated other income of P1,346.9 million, an increase of 32.8% from the consolidated other income of P1.014.3 million recorded for the year ended December 31, 2014. The increase was mainly attributable to interest income on the Company's higher level of installment contract receivables under its CTS Gold program during the year, consistent with its higher sales volumes.

Income before Income Tax

The Company's consolidated income before income tax for the year ended December 31, 2015 was P4,113.9 million, an increase of 14.3% from consolidated income before income tax of P3,600.4 million recorded for the year ended December 31, 2014.

Provision for Income Tax

The Company's consolidated provision for income tax for the year ended December 31, 2015 was P410.3 million, an increase from consolidated provision for income tax of P303.8 million recorded for the year ended December 31, 2014. The increase was mainly attributable to the increase in consolidated net deferred tax liability recognized during the year largely as a result of the belated Government approval of BOI accreditation for certain of the Company's projects.

Net Income

As a result of the foregoing, the Company's consolidated net income for the year ended December 31, 2015 was P3,724.1 million, an increase of 12.5% from consolidated net income of P3,309.1 million recorded for the year ended December 31, 2014. The Company's consolidated net income margin for the year ended December 31, 2015 was 40%, compared to a consolidated net income margin of 43% for the year ended December 31, 2014.

FINANCIAL POSITION

As at June 30, 2017 compared to as at June 30, 2016

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were ₱512.7 million as at June 30, 2017, an increase of 60.3% from consolidated cash on hand and in banks of ₱319.8 million as at June 30, 2016.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were ₱1,453.3 million as at June 30, 2017, a 3.9% increase from consolidated current portion of trade and other receivables of ₱1,398.6 million as at June 30, 2016.

Inventories

The Company's consolidated inventories were ₱9,513.4 million as at June 30, 2017, an increase of 72.3% from consolidated inventories of ₱5,520.2 million as at June 30, 2016.

Due from related parties

The Company's consolidated due from related parties were ₱383.3 million as at June 30, 2017, a decrease of 23.3% from consolidated due from related parties of ₱499.6 million as at June 30, 2016.

Other current assets

The Company's consolidated other current assets were ₱1,839.5 million as at June 30, 2017, a decrease of 19.3% from consolidated other current assets of ₱2,279.6 million as at June 30, 2016, primarily due to decreased advances to contractors in relation to construction of the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables-net of current portion were ₱19,693.5 million as at June 30, 2017, about the same level as the consolidated trade and other receivables-net of current portion of ₱19,704.2 million as at June 30, 2016.

Land held for future development

The Company's consolidated land held for future development was ₱13,769.4 million as at June 30, 2017, an increase of 28.4% from consolidated land held for future development of ₱10,727.6 million as at June 30, 2016, as the Company acquired certain real properties as part of its land banking

Property and equipment

The Company's consolidated property and equipment was ₱292.1 million as at June 30, 2017, an increase of 6.5% from consolidated property and equipment of ₱274.3 million as at June 30, 2016.

Investment properties

The Company's consolidated investment properties were ₱295.3 million as at June 30, 2017, a decrease of 8.6% from consolidated investment properties of ₱323.0 million as at June 30, 2016.

Other noncurrent assets

The Company's consolidated other noncurrent assets were ₱767.8 million as at June 30, 2017, an increase of 12.4% from consolidated other noncurrent assets of ₱683.4 million as at June 30, 2016.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were ₱3,033.8 million as at June 30, 2017, an increase of 21.0% from consolidated current portion of trade and other payables of ₱2,508.0 million as at June 30, 2016.

Current portion of loans payable

The Company's consolidated current portion of loans payable were ₱7,919.1 million as at June 30, 2017, an increase of 92.1% from the consolidated current portion of loans payable of ₱4,121.4 million as at June 30, 2016.

Deposits from customers

The Company's consolidated deposits from customers were ₱433.4 million as at June 30, 2017, an increase of 55.7% from consolidated deposits from customers of ₱278.4 million as at June 31, 2016.

Due to related parties

The Company's consolidated due to related parties were ₱123.9 million as at June 30, 2017, an increase of 37.9% from consolidated due to related parties of ₱89.8 million as at June 30, 2016.

Income tax payable

The Company's consolidated income tax payable was ₱133.1 million as at June 30, 2017, an increase of 103.0% from consolidated income tax payable of ₱65.6 million as at June 30, 2016.

Trade and–other payables - net of current portion

The Company's consolidated trade and–other payables - net of current portion were ₱70.2 million as at June 30, 2017, a decrease of 4.6% from consolidated trade and–other payables - net of current portion of ₱73.6 million as at June 30, 2016.

Loans payable - net of current portion

The Company's consolidated– loans payable - net of current portion was ₱9,466.8 million as at June 30, 2017, a 14.5% increase from consolidated– loans payable - net of current portion of ₱8,271.0 million as at June 30, 2016. The Company entered into additional loan transactions during the quarter to fund purchase of land for future development.

Deferred tax liability

The Company's consolidated deferred tax liability was ₱475.2 million as at June 30, 2017, an increase of 4.1% from consolidated deferred tax liability of ₱456.5 million as at June 30, 2016. This deferred tax liability was attributable to provision for income tax resulting from the delay in the income tax holiday accreditation for certain Company projects. Accreditation for these projects have since been obtained.

As at December 31, 2016 compared to as at December 31, 2015

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were ₱703.8 million as at December 31, 2016, an increase of 17.3% from consolidated cash on hand and in banks of ₱600.2 million as at December 31, 2015.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were ₱2,231.2 million as at December 31, 2016, a decrease of 48.5% from consolidated current portion of trade and other receivables of ₱1,502.1 million as at December 31, 2015.

Inventories

The Company's consolidated inventories were ₱7,317.5 million as at December 31, 2016, an increase of 43.7% from consolidated inventories of ₱5,092.3 million as at December 31, 2015. The increase was due mainly to the reclassification of lands previously classified as held for future development to inventories subsequent to the commencement of construction of development projects on such land and work in progress inventory of high-rise condominium buildings.

Due from related parties

The Company's consolidated due from related parties were ₱228.4 million as at December 31, 2016, a decrease of 21.2% from consolidated due from related parties of ₱289.7 million as at December 31, 2015. The decrease was attributable primarily to managed intercompany advances made to affiliated entities during the year.

Other current assets

The Company's consolidated other current assets were ₱1,349.3 million as at December 31, 2016, a decrease of 33.4% from consolidated other current assets of ₱2,025.2 million as at December 31, 2015, primarily due to increased advances to contractors in relation to construction of the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables-net of current portion were ₱20,527.0 million as at December 31, 2016, an increase of 16.9% from consolidated trade and other receivables-net of current portion of ₱17,565.6 million as at December 31, 2015. This increase was due mainly to higher receivables under the Company's CTS Gold program.

Land held for future development

The Company's consolidated land held for future development was ₱12,946.6 million as at December 31, 2016, an increase of 96.4% from consolidated land held for future development of ₱6,593.2 million as at December 31, 2015, as the Company acquired certain real properties as part of its land bank maintenance activities.

Property and equipment

The Company's consolidated property and equipment was ₱288.6 million as at December 31, 2016, an increase of 20.8% from consolidated property and equipment of ₱239.0 million as at December 31, 2015.

Investment properties

The Company's consolidated investment properties were ₱296.7 million as at December 31, 2016, a decrease of 4.0% from consolidated investment properties of ₱309.0 million as at December 31, 2015.

Other noncurrent assets

The Company's consolidated other noncurrent assets were ₱722.9 million as at December 31, 2016, an increase of 5.9% from consolidated other noncurrent assets of ₱682.7 million as at December 31, 2015.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were ₱3,186.6 million as at December 31, 2016, an increase of 21.3% from consolidated current portion of trade and other payables of ₱2,627.0 million as at December 31, 2015.

Current portion of loans payable

The Company's consolidated current portion of loans payable were ₱6,855.6 million as at December 31, 2016, 246.1% higher than the consolidated current portion of loans payable of ₱1,980.9 million as at December 31, 2015.

Deposits from customers

The Company's consolidated deposits from customers were ₱429.0 million as at December 31, 2016, a 4.2% increase from consolidated deposits from customers of ₱411.7 million as at December 31, 2015.

Due to related parties

The Company's consolidated due to related parties were ₱107.2 million as at December 31, 2016, a 6.2% decrease from consolidated due to related parties of ₱114.2 million as at December 31, 2015.

Income tax payable

The Company's consolidated income tax payable was ₱219.4 million as at December 31, 2016, a 2.6% increase from consolidated income tax payable of ₱213.9 million as at December 31, 2015.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were ₱70.2 million as at December 31, 2016, a 2.6% increase from consolidated trade and other payables - net of current portion of ₱68.4 million as at December 31, 2015.

Loans payable - net of current portion

The Company's consolidated loans payable - net of current portion was ₱8,195.5 million as at December 31, 2016, a 106.2% increase from consolidated loans payable - net of current portion of ₱3,975.4 million as at December 31, 2015. The Company entered into additional loan transactions during the course of the year to fund its installment contract receivables under the CTS Gold program.

Deferred tax liability

The Company's consolidated deferred tax liability was ₱540.1 million as at December 31, 2016, an 18.3% increase from consolidated deferred tax liability of ₱456.5 million as at December 31, 2015. This deferred tax liability was attributable to provision for income tax resulting from the delay in the income tax holiday accreditation for certain Company projects. Accreditation for these projects have since been obtained.

LIQUIDITY AND CAPITAL RESOURCES

The Company mainly relies on the following sources of liquidity: (1) cash flow from operations, (2) cash generated from the sale or transfer of receivables to private financial institutions such as banks or to government housing related institutions such as the Home Development Mutual Fund ("Pag-IBIG"), and (3) financing lines provided by banks. The Company knows of no demands, commitments, events, or uncertainties that are reasonably likely to result in a material increase or decrease in liquidity. The Company is current on all of its loan accounts, and has not had any issues with banks to date. The Company does not anticipate having any cash flow or liquidity problems over the next 12 months. The Company is not in breach or default on any loan or other form of indebtedness.

The Company expects to meet its operating assets and liabilities, capital expenditure, dividend payment and investment requirements for the next 12 months primarily from its operating cash flows, borrowings and proceeds of the Primary Offer. It may also from time to time seek other sources of funding, which may include debt or equity financings, depending on its financing needs and market conditions.

Cash Flows

The following table sets forth selected information from the Company's consolidated statements of cash flows for the periods indicated:

	For the years ended December 31,			Six months ended June 30,	
	2014	2015	2016	2016	2017
		(Audited)		(Unaudited)	
			(Php millions)		
Net Cash Provided by (Used) in Operating Activities	(2,159.8)	(2,214.8)	430.7	(900.4)	(161.0)
Net Cash Used in Investing Activities	(4,120.8)	(1,499.0)	(6,879.4)	(4,202.3)	(847.3)
Net Cash Provided by Financing Activities	6,636.7	3,708.9	6,552.2	4,822.3	817.3
Net Increase (Decrease) in Cash on Hand and in Banks	356.1	(4.9)	103.6	(280.4)	(191.1)
Cash on Hand and in Banks at Beginning of Year	249.0	605.1	600.2	600.2	703.8
Cash on Hand and in Banks at End of Year	605.1	600.2	703.8	319.8	512.7

Cash flow provided by (used in) operating activities

The Company's consolidated net cash provided by (used in) operating activities is primarily affected by the revenues generated from its operations, primarily the sale of residential housing units, subdivision lots and MRB condominium units. The Company's consolidated net cash provided by (used in) operating activities were ₱(2,214.8) million and ₱430.7 million for the years ended December 31, 2015 and 2016, respectively, and ₱(900.4) million and ₱(161.0) million for the six months ended June 30, 2016 and 2017, respectively.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the years ended December 31, 2015 and 2016 were ₱1,499.0 million and ₱6,879.4 million, respectively, and ₱4,202.3 million and ₱847.3 million for the six months ended June 30, 2016 and 2017, respectively.

For the periods ended December 31, 2016, and June 30, 2017, consolidated net cash flow used in investing activities reflected acquisitions of land for future development, as well as purchases of property and equipment.

Cash flow provided by financing activities

Consolidated net cash flow provided by financing activities for the years ended December 31, 2015 and 2016 were ₱3,708.9 million and ₱6,552.2 million, respectively, and ₱4,822.3 million and ₱817.3.million for the six months ended June 30, 2016 and 2017, respectively.

For the year ended December 31, 2016,.net cash flow provided by financing activities was attributable mainly to the proceeds from the Company's availment of loans during the year and an issuance of shares, as offset by certain loan repayments.

CAPITAL EXPENDITURES

The Company's capital expenditures for the years ended December 31, 2013 and 2014 were ₱81.9 million and ₱63.8 million, respectively. The table below sets forth the primary capital expenditures of the Company over the same periods.

	For the years ended December 31,			**For the six months ended June 30,**	
	2014	**2015**	**2016**	**2016**	**2017**
	₱	**₱**	**₱**	**₱**	**₱**
		(Audited)		**(Unaudited)**	
		(millions)		*(millions)*	
Land	101.13	98.44	98.44	98.44	98.44
Building	40.81	41.20	37.14	39.10	36.36
Land improvements	4.94	3.12	1.57	2.35	3.27
Leasehold improvements	2.15	0.89	2.37	0.82	8.49
Furniture and fixtures	12.20	20.38	41.14	29.40	42.13
Machineries and equipment	34.53	33.92	34.04	38.55	28.39
Transportation vehicles	27.27	31.50	59.46	57.12	58.35
Construction-in-progress	1.34	-	14.48	0.07	23.24
Waterlines	2.77	9.55	-	8.49	-
Total capital expenditures	227.13	239.01	288.63	274.34	292.13

On March 18, 2014, the Company, through 8990 Housing, entered into a contract with San Miguel Corporation to purchase a block of land (including improvements thereon) with an aggregate area of 31, 675 sq. m. located in Cebu City for a total contract price of ₱174,212,500. On the same date, the Company paid a down payment representing 20.0% of the total contract price. The Company will pay the remaining 80.0% of the contract price in 24 equal monthly amortizations. Aside from the transaction described above, the Company has no further pending acquisitions. However, the Company is continuously evaluating available properties for sale.

The Company through 8990 Housing purchased 8.4-hectare land in Tondo, Manila in June 25, 2014 via purchase of shares of stocks from Tondo Holdings, Inc. and Euson Realty and Development Corporation.

On May 19, 2014, the Company through 8990 Housing purchased a lot in Muntinlupa City from Modernland Corporation, a related company. The land is with an area of 1,245 square meters. The Company plans to develop medium-rise condominium in this lot.

The Company also purchased 15-hectare property in Marilao, Bulacan from Vitarich Corporation in 2014.

Aside from the items described in the previous three paragraphs, the Company has no other material commitments for capital expenditure.

Asset Acquisition

The assets of both Euson Realty Development Corporation (ERDC) and Tondo Holdings, Inc. (THI) which were acquired by the Company through purchase of shares of stock of the two corporations consist only of two parcels of land and five parcels of land, respectively, with a total land area of 84,731.95 square meters. At the time of acquisition in June 2014, apart from leasing out a portion of the property to a third party, ERDC is not engaged in any business operation. THI is also not engaged in any business operation.

8990 HDC acquired these companies to develop their assets in the future into residential and/or commercial projects.

OTHER RECEIVABLES

As of December 31, 2016, the Company has other receivables amounting to ₱1.2 billion. Significant portion of this represents the advance cash payments amounting to ₱694.0 million made by the Company in 2016 in a share sale transaction to shareholders of Primex Land, Inc ("PLI") for the acquisition of a 100% equity ownership interest in PLI. The transaction is expected to be consummated in 2017, hence, presented as part of other receivables.

Other major components of other receivables pertain to HDMF migrations in 2016 for which checks from HDMF were not yet received by the Company. Amount receivable from HDMF is ₱153.0 million as of December 31, 2016. The remaining balance of the other receivables relate to taxes on land acquired by the Group paid on behalf of the sellers and recoverable from them, outstanding receivables from buyers for amounts not covered by HDMF migrations, receivables from credit card companies, unliquidated advances, and other recording adjustments.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth the Company's consolidated contractual obligations and commitments as of June 30, 2017:

	Contractual Obligations and Commitments			
	Principal Payments Due by Period *(₱ millions)*			
	Total	**2017**	**2018-2021**	**After 2021**
Long-term debt obligations....................	20,783	880	19,302	601
Short-term debt obligations....................	5,603	4,699	905	-
Operating leases.....................................	-	-	-	-
Total	26,386	5,579	20,206	601

Notes:

(1) Lease obligation only pertains to 8990 Holdings, Inc. on a standalone basis. Lease contracts of other entities are cancellable.

KEY PERFORMANCE INDICATORS

The table below sets forth key performance indicators for the Company for the years ended December 31, 2015 and 2016, and the six months ended June 30, 2016 and 2017.

Key Performance Indicators	**As of December 31, 2015 (Audited)**	**As of December 31, 2016 (Audited)**	**As of June 30, 2016 (Unaudited)**	**As of June 30, 2017 (Unaudited)**
Current Ratio	1.78	1.10	1.42	1.18
Book Value Per Share	3.14	3.49	3.29	3.46
Debt to equity ratio	0.86	1.24	1.17	1.38
Debt Service Coverage Ratio	2.07	1.63	3.54	1.77

Asset to Equity Ratio	2.08	2.48	2.36	2.60
Asset to Debt Ratio	2.43	1.99	2.02	1.89
Interest Coverage Ratio	8.09	13.07	17.41	4.22
Gross Income	55.02%	53.94%	57.55%	57.76%
EBITDA Margin	51.34%	54.30%	57.22%	62.56%
Net Income Margin	39.91%	38.55%	46.06%	40.14%

The following table sets out the Company's Current Ratio, Debt-to-Equity Ratio, and Deb Service Coverage Ratio upon issue of the Offer Shares and their impact if treated as debt or equity:

Key Performance Indicator	As of June 30, 2017 (Unaudited)	As Debt	As Equity
Current Ratio	1.18	[1.74]	[1.74]
D/E Ratio	1.38	[1.38]	[0.88]
DSCR	1.98	[1.98]	[1.98]

DEBT OBLIGATIONS AND FACILITIES

As of December 31, 2016, the Company's total outstanding indebtedness was ₱24 billion, comprised of various short-term and long-term loans mainly from local banks, and fixed-rate corporate bonds which was issued in 2015. The Company's loans payable have maturities ranging from three months to five years, and are typically secured by receivables under its CTS Gold program, land held for future development, inventories and various properties of the Company.

ACCELERATION OF FINANCIAL OBLIGATIONS

There are no known events that could trigger a direct or contingent financial obligation that would have a material effect on the Company's liquidity, financial condition and results of operations.

OFF BALANCE SHEET ARRANGEMENTS

As of the date of this Prospectus, the Company has no material off-balance sheet transactions, arrangements, obligations. The Company also has no unconsolidated subsidiaries.

INCOME OR LOSSES ARISING OUTSIDE OF CONTINUING OPERATIONS

The Company has no sources of income or loss coming from discontinued operations. All of its Subsidiaries are expected to continue to contribute to the Company's operating performance on an ongoing basis and/or in the future.

QUALITATIVE AND QUANTITATIVE DISCLOSURE OF MARKET RISK

Credit Risk

The Company is exposed to credit risk from its in-house financing program. Credit risk is the risk of loss that may occur from the failure of a customer to abide by the terms and conditions of the customer's financial contract with the Company, principally the failure to make required payments on amounts due to the Company. The Company attempts to mitigate credit risk by measuring, monitoring and managing the risk for each customer seeking to obtain in-house financing. The Company has a structured and standardized credit approval process, which includes conducting background and credit checks on prospective buyers using national credit databases and, where feasible, conducting physical verification of claims regarding residences and properties owned. From time to time, the Company utilizes its receivables rediscounting lines with banks and other financial institutions with its contracts receivables as collateral ("with recourse" transactions) and/or sells installment contract receivables on a "without recourse" basis.

Liquidity Risk

The Company faces the risk that it will not have sufficient cash flows to meet its operating requirements and its financing obligations when they come due.

To better manage its liquidity risk as well as improve its cash conversion cycle, the Company currently has take-out arrangements with Pag-IBIG where it will transfer its receivables under the CTS Gold Convertible program within four years in exchange for cash. The acceptance or rejection of a CTS receivable by Pag-IBIG is based on certain guidelines of Pag-IBIG such as employment, number of contributions made by the homeowner/Pag-IBIG member, net disposable income, etc. The Company believes that substantially all of its historic requests for take-outs have been accepted by Pag-IBIG.

In addition, the Company is also pursuing various sustainable strategies to better manage its liquidity profile. These include the sale to institutions (such as banks or government housing agencies) or the securitization of portions of the Company's receivables portfolio.

Interest Rate Risk

Fluctuations in interest rates could negatively affect the margins of the Company in respect of its sales of receivables and could make it more difficult for the Company to procure new debt on attractive terms, or at all. The Company currently does not, and does not plan to, engage in interest rate derivative or swap activity to hedge its exposure to increases in interest rates.

Fluctuations in interest rates also have an effect on demand for the Company's products. As most of the Company's customers obtain some form of financing for their real estate purchases, interest rate levels could affect the affordability and desirability of the Company's subdivision lots and housing and condominium units.

Commodity Risk

As a property developer, the Company is exposed to the risk that prices for construction materials used to build its properties (including, among others, cement and steel) will increase. These materials are global commodities whose prices are cyclical in nature and fluctuate in accordance with global market conditions. The Company is exposed to the risk that it may not be able to pass its increased costs to its customers, which would lower the Company's margins. The Company does not engage in commodity hedging, but attempts to manage commodity risk by generally requiring its construction and development contractors to supply raw materials for the relevant construction and development projects (and bear the risk of price fluctuations).

SEASONALITY

There is no significant seasonality in the Company's sales. However, sales are sometimes affected by reasons which also have an impact on delinquencies as described below. Delinquencies on the Company's receivables from homebuyers tend to increase in the months of June and December. During these months, the Company's customers' cash flows are impacted by the need to make tuition payments in June for their children's schooling and by Christmas Holiday-related expenditures in December. The Company mitigates this seasonality in collections by instituting credit and collection policies that encourage homebuyers to prioritize their amortization payments to the Company over other expenditures. These include incentives (i.e. vouchers for school supplies or Christmas season shopping at local stores that are given to homebuyers who are timely in their amortization payments) and remedial measures (i.e. fines for late amortization payments). For the most part, any fluctuations in delinquencies in June and December normalize in the succeeding month or two as homebuyers catch up their payments.

INDUSTRY

The information set out in this section "Industry" has been extracted from "Impact of Housing Activities on the Philippine Economy," a publicly available presentation by the CRC-UA&P and the SHDA dated September 22, 2016, "The Housing Industry Road Map of the Philippines: 2012-2030," a publicly available report by the SHDA in partnership with the CRC dated February 4, 2014, and the Philippine Statistics Authority ("PSA").

PHILIPPINE HOUSING SECTOR

General Demographics and Economic Outlook

The Philippines' underlying demographic trends are expected to remain supportive of continued growth in the housing sector. The Philippines' population size was approximately 101 million as of 2015 and is expected to reach approximately 132 million by 2035, according to the PSA. In terms of the number of households, the Philippines is expected to see an increase of approximately 7 million additional households by 2035, assuming a constant household size of 4.4 persons.

TABLE 1. PROJECTED POPULATION OF THE PHILIPPINES 2015–2035 (IN MILLIONS)

Year	Population	Households
2015	100.98	22.98
2020	109.95	25.02
2025	117.96	26.84
2030	125.34	28.52
2030	131.90	30.02

Source: PSA

The Philippines' economy remained strong throughout the past five years, with GDP growing at an average rate of 6.5%, with 2016 GDP growing by 6.8%, according to the PSA.

Housing Supply Classifications and Required Income Estimates

The SHDA (Subdivision and Housing Developers Association) in partnership with the Center for Research and Communication at University of Asia and the Pacific has undertaken a study ("The Housing Industry Road Map of the Philippines: 2012-2030"), which classifies the overall housing supply in the Philippines into five different categories (socialized, economic, low cost, mid income, and high end). The price ranges upon which this classification is based are detailed in the table below. The SHDA report highlights that, aside from the prices, different segments also vary in loan terms and interest rates e.g., socialized housing, where most buyers come from lower-income classes, typically has a lower interest rate and longer loan term.

TABLE 2. HOUSING SUPPLY CLASSIFICATIONS

Segments	Price Range (in pesos)		Housing Price Used (in pesos)	Interest Rate	Term (years)	Loan Value
Socialized Housing	Below	400,000[1]	300,000	6.0%	25	100%
Economic Housing	400,001[1]	1,250,000	400,000	8.5%	20	90%
Low Cost	1,250,001	3,000,000	1,250,000	10.5%	20	80%
Mid End	3,000,001	6,000,000	3,000,000	10.5%	15	80%
High End	6,000,001	and above	6,000,000	10.5%	15	80%

Sources: SHDA, Various banks as cited in "The Housing Industry Road Map of the Philippines: 2012-2030"

Note 1: Subsequent to "The Housing Industry Road Map of the Philippines: 2012-2030" study, the price ceiling for socialized housing was revised to ₱450k by HUDCC (Housing & Urban Development Coordinating Council)

From the price range and loan terms indicated above, the annual amortization for each category and required minimum income for a home buyer in each category were derived assuming a 30% threshold for annual amortization as a percentage of annual household income.

TABLE 3. REQUIRED INCOME FOR EACH HOUSING SEGMENT

Segments	Annual Amortization	Required Annual Income	Required Annual Income[1]
Socialized Housing	23,468.02	78,226.72	At least 78,000
Economic Housing	38,041.55	126,805.17	At least 130,000
Low Cost	121,493.27	404,977.55	At least 405,000
Mid End	324,595.20	1,081,984.01	At least 1,100,000
High End	649,190.41	2,163,968.02	At least 2,200,000

Sources: SHDA, Center for Research and Communication (University of Asia and the Pacific)

Note 1: Rounding to facilitate easier matching with the income survey of NSO

Household Breakdown by Region and Income Groups

The table below shows the breakdown of number of households by income groups per region across the Philippines based on the 2009 Family and Income Expenditure Survey (FIES) conducted by NSO.

TABLE 4. 2009 FIES HOUSEHOLDS BY INCOME GROUP PER REGION

	TOTAL	Below ₱78,000	₱78,000 – ₱130,000	₱130,000 – ₱405,000	₱405,000 – ₱1.1million	₱1.1million – ₱2.2million	₱2.2million and above
Total	18,451,541	4,251,817	4,640,804	7,592,152	1,776,243	160,872	29,653
NCR	2,460,918	50,946	239,218	1,537,027	543,861	79,312	10,554
CAR	321,992	72,250	71,640	138,483	36,476	2,426	717
I – Ilocos	1,004,892	199,774	307,872	419,886	73,938	1,331	2,091
II – Cagayan Valley	652,600	168,837	197,734	237,624	42,453	4,476	1,476
III – Central Luzon	2,027,521	230,499	480,811	1,101,187	204,222	8,824	1,978
IVA – CALABARZON	2,405,620	265,491	513,213	1,304,841	297,921	22,121	2,033
IVB – MIMAROPA	589,857	205,732	177,666	176,854	28,956	649	-
V – Bicol	1,069,710	331,416	367,872	312,515	53,013	4,325	569
VI – Western Visayas	1,452,186	440,474	439,403	471,948	97,059	2,200	1,102
VII – Central Visayas	1,373,932	408,864	340,954	493,708	118,214	11,181	1,011
VIII – Eastern Visayas	864,802	337,422	251,119	214,474	55,455	3,726	2,606
IX – Zamboanga Peninsula	661,974	289,860	172,783	160,602	33,906	4,083	740
X – Northern Mindanao	839,110	313,201	214,636	245,245	60,372	4,261	1,395
XI – Davao	883,528	264,304	243,901	318,002	51,413	4,791	1,117
XII - SOCCSKSARGEN	800,762	285,644	234,230	229,626	45,584	4,294	1,384
XIII – Caraga	470,371	189,244	132,529	121,570	23,912	2,236	880
ARMM	571,766	197,859	255,223	108,560	9,488	636	-

Source: NSO as cited in "The Housing Industry Road Map of the Philippines: 2012-2030" report by SHDA, Center for Research and Communication (University of Asia and the Pacific)

The projected growth in number of households up to 2030 in the table below indicates that the number of households in the income groups that would qualify for mass housing (socialized + economic + low cost) (i.e., household income range of ₱78,000to ₱1.1million) are expected to increase by approximately 5.2 million from 2010 to 2030, comprising approximately 76% of the total number of household increases over the same period.

TABLE 5. HOUSEHOLD INCREASES PER INCOME GROUPINGS

	Below ₱78,000	₱78,001– ₱130,000	₱130,001 – ₱405,000	₱405,001– ₱1.1m	₱1.1m – ₱2.2m	₱2.2m and above	TOTAL
2001	107,348	76,001	111,049	23,496	1,944	257	320,095
2002	109,597	77,594	113,376	23,988	1,984	262	326,802
2003	111,894	79,220	115,752	24,491	2,026	267	333,650
2004	114,239	80,880	118,178	25,004	2,068	273	340,642
2005	116,633	82,575	120,654	25,528	2,112	279	347,781
2006	154,088	109,093	159,401	33,726	2,790	368	459,466
2007	(372,947)	126,413	378,978	120,866	13,335	3,776	270,421
2008	(845,128)	203,782	696,849	231,012	25,965	7,569	320,049
2009	(366,589)	178,422	478,608	146,895	15,894	4,359	457,590
2010	2,289	2,498	4,087	956	87	16	9,934
2011	115,959	126,568	207,060	48,443	4,387	809	503,226
2012	74,591	81,415	133,192	31,161	2,822	520	323,703
2013	75,651	82,572	135,084	31,604	2,862	528	328,301
2014	76,112	83,075	135,907	31,796	2,880	531	330,301
2015	76,296	83,276	136,236	31,873	2,887	532	331,101
2016	76,342	83,326	136,318	31,893	2,888	532	331,300
2017	76,572	83,578	136,730	31,989	2,897	534	332,300
2018	76,665	83,678	136,894	32,027	2,901	535	332,700
2019	76,849	83,880	137,223	32,104	2,908	536	333,500
2020	76,941	83,980	137,388	32,143	2,911	537	333,900
2021	76,987	84,030	137,470	32,162	2,913	537	334,100
2022	76,987	84,030	137,470	32,162	2,913	537	334,100
2023	76,987	84,030	137,470	32,162	2,913	537	334,100
2024	76,849	83,880	137,223	32,104	2,908	536	333,500
2025	76,711	83,729	136,976	32,047	2,902	535	332,900
2026	76,572	83,578	136,730	31,989	2,897	534	332,300
2027	76,296	83,276	136,236	31,873	2,887	532	331,101
2028	75,973	82,924	135,660	31,739	2,875	530	329,701
2029	75,513	82,421	134,838	31,546	2,857	527	327,702
2030	74,960	81,818	133,850	31,315	2,836	523	325,302
TOTAL	69,7237	2,725,545	5,092,887	1,310,099	127,449	28,347	9,981,564

Source: "The Housing Industry Road Map of the Philippines: 2012-2030" report by SHDA, Center for Research and Communication (University of Asia and the Pacific) which used data from HLURB, HUDCC, UN World Population Prospects, NSO and computation by the authors of the same report

Housing Backlog by Segment and Region

According to the “Impact of Housing Activities on the Philippine Economy ” presentation by CRC-UA&P, the total housing backlog in the Philippines as of 2015 registered at approximately 6.7 million households (including households that cannot afford housing), with the economic housing segment comprising 55% of the backlog. The total housing need by 2030 will be 12.3 million houses, with an additional housing need of 5.6 million houses from 2016 to 2030. In order to eliminate the backlog, an estimated average annual mass housing production of about 800,000 houses until 2030 is needed.

Segment	Existing Housing Backlog 2001-2015	Future Housing Backlog 2016-2030	Total
Can’t Afford	786,984	1,100,000	1,886,984
Socialized	1,275,921	1,400,000	2,675,921
Economic	3,686,429	2,500,000	6,186,429
Low	918,280	611,813	1,530,093
Total	**6,667,614**	**5,611,813**	**12,279,427**

Source: “Impact of Housing Activities on the Philippine Economy,” a publicly available presentation by the Center for Research and Communication – University of Asia & the Pacific (“CRC-UA&P”) and the SHDA dated September 22, 2016

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Pursuant to the Company's current articles of incorporation, the Board consists of thirteen (13) members. As of the date of this Prospectus, two members of the Board are independent directors. All of the incumbent directors were re-elected at the Company's annual shareholders meeting on July 25, 2016 and will hold office for a period of one (1) year from their election and until their successors have been duly elected and qualified.

On July 31, 2017, Mr. Januario Jesus Gregorio III B. Atencio announced his retirement as President and CEO of the Company effective 1 January 2018. He will continue to serve as President and CEO until December 31, 2017. After his retirement, Mr. Atencio will remain as Director of the Company. The Board shall elect a new President and CEO before the effectivity of Mr. Atencio's retirement.

The table below sets forth each member of the Company's Board as of the date of this Prospectus.

Name	Age	Nationality	Position
Mariano D. Martinez, Jr.	62	Filipino	Chairman of the Board
Januario Jesus Gregorio III Atencio	55	Filipino	President, CEO and Director
Luis N. Yu, Jr.	61	Filipino	Chairman Emeritus and Director
Willibaldo J. Uy........................	58	Filipino	COO and Director
Arlene C. Keh...........................	49	Filipino	Independent Director
Manuel C. Crisostomo	62	Filipino	Independent Director
Manuel S. Delfin, Jr.	56	Filipino	Director
Lowell L. Yu	40	Filipino	Director
Raul Fortunato R. Rocha	64	Filipino	Director
Richard L. Haosen	54	Filipino	Director, Treasurer and Head of Treasury
Ian Norman E. Dato	38	Filipino	Director
Ben Chan Wei Beng	50	Malaysian	Director
Dominic J. Picone	38	American	Director

The business experience of each of the directors for the last five years is set forth below.

Mariano D. Martinez, Jr.
Chairman of the Board

Mr. Mariano D. Martinez, Jr. has served as Chairman of the Board of 8990 Holdings, Inc. since September 2012. He holds a Bachelor of Science in Business Management degree from De La Salle University (1976). He is the President and CEP of 8990 Luzon Housing Development Corp since 2008 and Ceres Homes Inc since 2002. He is also the President of Kwantlen Development Corporation since 2010 and Fog Horn, Inc. since 2004. He previously held the position of President for Happy Well Management & Collection Services Inc (2008) and BP Waterworks Incorporated (1997). He is currently a Board Advisor to the SHDA. He held the position of Chairman (2001-2002) and President (1999-2001) for the SHDA. He has more than 30 years of experience managing and heading companies engaged in mass housing subdivision development.

Januario Jesus Gregorio III B. Atencio
President, CEO and Director

Mr. Januario Jesus Gregorio III B. Atencio has served as President, Chief Executive Officer, and Director of 8990 Holdings, Inc. since September 2012. He completed the International Housing Finance Course at Wharton School of Business, University of Pennsylvania, USA (2011), and the Applied Business Economics Program (postgraduate) at the Center for Research and Communications (University of Asia and the Pacific). He holds Bachelor of Arts in Psychology from Ateneo de Manila University. He has more than 20 years of experience managing and heading companies engaged in mass housing subdivision development. He is currently the Chairman of Januarius Holdings, Inc.. He is also the President and CEO of 8990 Housing Development Corporation, 8990 Commercial Management Corporation and DECA Wakeboard Park since 2005. He holds directorship position in other real estate subsidiaries of 8990 Housing Development Corporation. He was a member of HUDCC. He was the National President (2002-2003) and National Chairman (2003-2004), and currently a member of the Board of Governors of SHDA.

Luis N. Yu, Jr.
Chairman Emeritus and Director

Mr. Luis N. Yu has served as a Director of 8990 Holdings, Inc. since July 2012. He is also the Chairman Emeritus of the Company. He holds a Master's degree in Business Management from the Asian Institute of Management. Mr. Yu is the Founder and Chairman Emeritus of IHoldings Inc since 2012. He is also the Chairman of 8990 Cebu Housing Development Corporation, 8990 Visayas Housing Development Corporation, 8990 Davao Housing Development Corporation, 8990 Mindanao Housing Development Corporation, 8990 Iloilo Housing Development Corporation and 8990 Luzon Housing Development Corporation since 2009, 8990 Housing Development Corporation since 2006, Ceres Homes Inc since 2002, N&S Homes Inc since 1998, L&D Realty Holdings Inc since 1998 and Fog Horn since 1994. He is the President of DECA Housing Corporation since 1995. He is also an Independent Director of LBC Express Holdings, Inc. since April 2015. Mr. Yu is also a Director of Global Ferronickel Holdings, Inc. since June 2016.

Willibaldo J. Uy
Chief Operating Officer and Director

Mr. Willibaldo J. Uy has been Director of 8990 Holdings, Inc. since January 29, 2016. He has also been its Chief Operating Officer since February 1, 2016. He served as an Independent Director from August 24, 2012 until January 29, 2016. He completed the Executive Program from the National University of Singapore and the University of California, Los Angeles in 1992. He has a Master's degree in Business Administration from the Ateneo Graduate School of Business, Ateneo de Manila University, (1986) and a Bachelor of Science in Marketing Management from De La Salle University (1979). He serves as President and CEO of Phinma Property Holdings Corporation, President of Asian Plaza Inc, Senior Vice President of Philippines Investment Management (Phinma) Inc, Executive Vice President of T-O Insurance Brokers Inc, Vice President and Treasurer of Mariposa Properties Inc, Member of the Board of Directors/Trustees for Microtel Development Corporation, Phinma BPO, Union Galvasteel Corporation, Trans-Asia Renewable Energy Corporation, Phinma Foundation Inc and Mariposa Foundation Inc. He also serves as President and Chairman of Rockwell Center Association Inc, Managing Director of CMTC International Marketing Corporation, Treasurer and Director for American Home Appliance Marketing Corporation, le Becarre International Corporation, Harritex Industrial Corporation, Director of Harrison Industrial Corporation, Southeast Asia Tour and Travel Corporation, Emerald Headway Distributors Inc, Philippine Retirement Inc, the SHDA, SHDA Guaranty Funds Inc, Microventures Inc and Treasurer for Coalition for the Homeless Foundation Inc.

Arlene C. Keh
Independent Director

Ms. Arlene C. Keh has served as Independent Director of 8990 Holdings, Inc. since August 24, 2012. She serves as President of CG & E Holdings Corporation, Cypress Grove Estates Corporation and CGE South Hills Ventures, Incorporated. She is also the Managing Director of Ceres Homes, Incorporated, Director of C-5 Mansions & Development Corporation and Alabang Homes Condotel, Inc. She is a Member of the Board of Governors of the Subdivision and Housing Developers Association, Consultant to the Board of Directors of SM Foundation, Incorporated, and a Member of the Board of Foundation for Professional Training, Inc., Asian Appraisal Company, Incorporated and Amalgamated Project Management Services, Inc. She holds a Masters in Business Administration from the J.L. Kellogg Graduate School of Management, Northwestern University, Chicago, Illinois, USA, and the Hong Kong University of Science and Technology. She has a Bachelor of Science in Biology degree from University of the Philippines, where she earned the Dean's Medal for Highest Academic Achievement.

Manuel S. Delfin, Jr.
Director

Mr. Manuel S. Delfin, Jr., has served as a Director of 8990 Holdings, Inc. since September 2, 2014. He holds Bachelor in Zoology from University of the Philippines (1982) and a medical degree from the same university in 1986. He earned his residency from the same university in 1990, his fellowship in Glaucoma from California Pacific Medical Center, USA. He is a consultant and Vice Chairman of the Department of Ophthalmology in Manila Doctors Hospital and consultant at Patients First Medical Center. He is also serving as Corporate Secretary of UP Medical Foundation, President of Lakan Bakor Foundation, Treasurer of Philippine Glaucoma Society, Assistant Secretary of Philippine Glaucoma Foundation, Director of Happy Wells Management & Corp and Director of 77 Avenida Corp.

Lowell L. Yu
Director

Atty. Lowell L. Yu has served as a Director of 8990 Holdings, Inc. since August 29, 2014. He holds Master in Management from Asian Institute of Management and Bachelor of Law (LLB) from Siliman University. He is the Chairman of 77 Living Spaces Inc, Grand Majestic Convention City Corp, 101 Restaurant City Inc, iKitchen Inc, MyMarket Inc and Govago Inc. He is a founding partner of Dato and Yu Law Offices. He previously worked as an AVP of Business Development of Earth+Style/Quantuvis Resources.

Raul Fortunato R. Rocha
Director

Mr. Raul Fortunato R. Rocha has served as a Director of 8990 Holdings, Inc. since August 29, 2014. He graduated from Divine Word College, Legazpi City in 1976 with a degree of BSC major in Management. He was banker for 14 years and is a businessman of real estate development and leasing. He is the President of LYRR Realty Development Corporation and Naga Queenstown Realty and Development Inc. He is also the Chairman of Tabaco Port Cargo Corp.

Richard L. Haosen
Director, Treasurer, and Head of Treasury

Mr. Richard L. Haosen has been Head of Treasury, Director of 8990 Holdings, Inc. since December 4, 2015, after being its Chief Financial Officer, Treasurer, Director since September 2, 2014. Mr. Haosen obtained his license as a Certified Public Accountant in 1982. He also has a Bachelor of Science Commerce, major in Accounting degree from the Ateneo de Davao University, Philippines (1982). He is the General Manager of 8990 Housing. He served as General Manager for Treasury at 8990 Housing, Vice President/Division Head of Business Lending Division - Cebu and the Business Lending Group - Visayas/Mindanao of Metropolitan Bank and Trust Company (MBTC) (2006-2010), Unit Head of MBTC Cebu Account Management Unit (2005-2006), and Account Officer of MBTC Cebu Downtown Center Branch (1994-2005).

Ian Norman E. Dato
Director

Mr. Ian Norman E. Dato has served as a Director of 8990 Holdings, Inc. since August 29, 2014. He holds Master of Law (Master of Legal Letters) from University College London (2011), Juris Doctor from Ateneo de Manila University and a degree in Political Science from University of the Philippines. He is a member of the UCL Alumni Association, International Visitors Leadership Program Alumni of the US Department of State, and Chevening Alumni of the Foreign & Commonwealth Office of the United Kingdom. He is the Managing Partner of Dato Inciong & Associates and Corporate Secretary to 27 corporations. He is an incumbent director of MyMarket Inc, First Naga Rural Bank Inc., and Pacifica, Inc. Atty. Dato is also the Chairman of the Board of Directors of Newmanholdings, Inc. since 2016 and President of Crosschannel Imports, Inc. snce 2017. His experience includes private law practice at Ponce Enrile Reyes & Manalastas Law Offices (2012) and Kalaw Sy Vida Selva & Campos (2005-2006). He was in government service (2003-2010) in various capacities, such as Undersecretary of Justice (2010), Undersecretary of Political Affairs (2008-2010), Assistant Secretary of Political Affairs (2007-2008) and Director in the Presidential Legislative Liaison Office at the Office of the President of the Philippijes (2003-2005).

Ben Chan Wei Beng
Director

Mr. Chan (Ben) Wei Beng has served as a Director of 8990 Holdings, Inc. since August 29, 2014. He is a member of the Institute of Chartered Accountants in England and Wales and holds Bachelor of Commerce from the University of New South Wales, Australia. He is an Executive Director of Investments in Khazanah Nasional Berhad. He joined Khazanah in June 2005 and was appointed as Executive Director in April 2008. Prior to joining Khazanah, he was Director of Research at several investment houses covering both China and Southeast Asian markets.

Dominic J. Picone
Director

Mr. Dominic J. Picone has served as a Director of 8990 Holdings, Inc. since August 29, 2014. He holds Bachelor of Commerce in Finance and Bachelor of Law (LLB) from University of Melbourne. He is a Principal and Head of Asia Financial Services (ex. India) at TPG Capital, based in Singapore. In addition to 8990, he has been involved with current and past TPG portfolio companies, including BFI Finance, Masan Group, Fairmont Raffles Hotels, Bank BTPN, United

Test & Assembly Center (UTAC) and CIMB. In 2005, he worked in the Investment banking Division of Credit Suisse First Boston in Melbourne.

Manuel C. Crisostomo
Director

Mr. Manuel C. Crisostomo has served as Independent Director of 8990 Holdings, Inc. since January 29, 2016. Mr. Crisostomo was Senior Vice President and CEO of the Home Development Mutual Fund (HDMF) from 2001 to 2002, capping a government career spanning various positions for 25 years. He was the President and CEO of Firm Builders Realty Development Corporation from 2005 to 2013 and served as National President and Chairman of SHDA from 2010 to 2011. Mr. Crisostomo has a BS Industrial Engineering degree from the University of the Philippines and passed the Career Executive Service Officer of the Civil Service Commission. He has been Chairman of the Nominations and Compensation Committee and Chairman of the Corporate Governance Committee, effective 1 February 2016.

The table below sets forth the Company's officers as of the date of this Prospectus.

Name	Age	Nationality	Position
Januario Jesus Gregorio III Atencio	55	Filipino	President and CEO
Willibaldo J. Uy	58	Filipino	Chief Operating Officer
Roan B. Torregoza	31	Filipino	Chief Financial Officer
Richard L. Haosen	54	Filipino	Treasurer and Head of Treasury
Teresa C. Secuya	55	Filipino	Compliance Officer
Cristina S. Palma Gil-Fernandez	48	Filipino	Corporate Secretary
Maureen Christine O. Lizarondo-Medina	30	Filipino	Asst. Corporate Secretary
Patricia Victoria G. Ilagan	41	Filipino	Investor Relations Officer

The business experience of each of the key executive and corporate officers for the last five years is set forth below.

Januario Jesus Gregorio III B. Atencio
President and Chief Executive Officer
Please refer to the table of Directors above.

Roan B. Torregoza
Chief Financial Officer

Ms. Roan Buenaventura-Torregoza has been Chief Financial Officer at 8990 Holdings, Inc. since November 7, 2016, after being its Acting Chief Financial Officer since December 4, 2015. Prior to her current position, she served as Deputy Chief Financial Officer, Assistant General Manager for Audit, and Management Services Manager for 8990 Holdings, Inc. Before joining the Company in 2014, she served as Account Officer of Wholesale Finance Department of BPI Family Savings Bank, Inc. from 2008 to 2012. Ms. Buenaventura-Torregoza finished her Master in Business Administration Concentration in Finance from Asian Institute of Management as W. Sycip Graduate School of Business Scholar in December 2013. She also has a degree in B.S. Business Administration from University of the Philippines Diliman (2007).

Richard L. Haosen
Treasurer and Head of Treasury
Please refer to the table of Directors above.

Teresa C. Secuya
Compliance Officer

Ms. Teresa S. Secuya has served as Compliance Officer of 8990 Holdings, Inc. since September 2012. Ms. Secuya is also currently the Executive Assistant to the Chairman of 8990 Luzon Housing Development Corp. Prior to her current positions, she served as the Executive Secretary of the President of Ceres Homes, Inc. (February 2006 to December 2009), Executive Assistant of the Chairman of Urban Basic Housing Corporation (May 1999 to January 2003), Executive Assistant for Admin Affairs of Newpointe Realty & Development Corp. (June to July 1996), Marketing Assistant of HLC Construction & Development Corp. (March to May 1996), and Proprietor of Jobs Drugs and Gifts (November 1991 to March 1996). She obtained the Bachelor of Arts degree, major in Communication Arts from the Ateneo de Davao University in 1982.

Cristina S. Palma Gil-Fernandez
Corporate Secretary

Atty. Palma Gil-Fernandez assumed the position of Corporate Secretary of the Company in September 2012. Atty. Palma Gil-Fernandez graduated with a Bachelor of Arts degree, Major in History (Honors) from the University of San Francisco in 1989, and with a Juris Doctor degree, second honors, from the Ateneo de Manila University in 1995. She is currently a Partner at Picazo Buyco Tan Fider & Santos Law Offices and has over 21 years of experience in corporate and commercial law, with emphasis on the practice areas of banking, securities and capital markets (equity and debt), corporate reorganizations and restructurings and real estate.

Maureen Christine O. Lizarondo-Medina
Assistant Corporate Secretary

Atty. Maureen O. Lizarondo-Medina assumed the position of Assistant Corporate Secretary on 25 July 2016. Atty. Lizarondo-Medina graduated cum laude with the degree of Bachelor Arts, Major in Political Science, from the University of the Philippines in 2007, and with a Juris Doctor degree, second honors, from the Ateneo de Manila University in 2011. She is currently a Senior Associate at Picazo Buyco Tan Fider & Santos Law Offices. She also serves as Corporate Secretary of Tullett Prebon (Philippines), Inc. She is also the Assistant Corporate Secretary of mutual funds managed by the Philam Asset Management, Inc. including Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

Patricia Victoria G. Ilagan
Investor Relations Officer

Ms. Patricia Victoria G. Ilagan joined 8990 in 2016 and is presently 8990's Investor Relations Officer. Prior to joining 8990, she worked at Philippine Equity Partners (a local research partner of Bank of America Merrill Lynch) from 2015-2017. She has an MBA degree from Esade Business School and a bachelor of science degree in Management at Ateneo de Manila University. Her previous roles also include working as Senior Research Associate at Macquarie Capital Securities Philippines (2010-2012) and Senior Manager for Financial Planning and Analysis at Bloomberry Resorts and Hotels Inc (2012-2015).

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

To the best of the Company's knowledge and belief and after due inquiry, none of the Company's directors, nominees for election as director, or executive officers have in the five-year period prior to the date of this Prospectus: (1) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) have been the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (4) have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, such judgment having not been reversed, suspended, or vacated.

CORPORATE GOVERNANCE

The Company submitted its Revised Manual on Corporate Governance (the "Manual") to the Philippine SEC on May 31, 2017 in compliance with SEC Memorandum Circular No. 19, series of 2016. The Company and its respective directors, officers and employees have complied with the best practices and principles on good corporate governance as embodied in its Corporate Governance Manual. An evaluation system has been established by the Company to measure or determine the level of compliance of the Board of Directors and top level management with its Manual of Corporate Governance.

Independent Directors

The Manual requires the Company to have at least two (2) independent directors in the Board of Directors, at least one of whom serves on each of the Corporate Governance, Nomination Committee, and the Audit Committee. Subject to approval by the majority of the Board of Directors, the number of independent directors may be increased to three (3) or such number as to constitute at least one-third (1/3) of the members of the Board, whichever is higher.

An independent director is defined as a person who:

a. has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Corporation;

b. is not and has not been a director, officer, or employee of the Corporation, its Subsidiaries or affiliates or related companies during the past three (3) years immediately preceding the date of his election;

c. has not been appointed in the Corporation, its subsidiaries, associates, affiliates, or related companies as Chairman "Emeritus," "Ex-Officio" Directors/Officers, or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election;

d. is not an owner of more than two percent (2%) of the outstanding shares of the Corporation, its subsidiaries, associates, affiliates, or related companies;

e. is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;

f. is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent, or counsel of the Corporation, any of its related companies or substantial shareholders, or is otherwise independent of Management and free from any business or other relationship within the three (3) years immediately preceding the date of his election;

g. does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director, or substantial shareholder, in any transaction with the Corporation or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment;

h. is not affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial shareholders; and

i. is not employed as an executive officer of another company where any of the Corporation's executives serve as directors.

COMMITTEES OF THE BOARD

The Board created and appointed Board members to each of the committees set forth below. Each member of the respective committees named below holds office as of the date of this Prospectus and will serve until his successor is elected and qualified.

Audit and Risk Management Committee

The Audit and Risk Committee is composed of at least three appropriately qualified members of the Board who have accounting, audit, and finance backgrounds, at least one of whom is an independent director and another with audit experience. The chair of the Audit and Risk Management Committee should be an independent director.

The Audit Committee has the following functions:

a. Recommend the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter.

b. Through the Internal Audit (IA) Department, monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances shall be in place in order to (i) safeguard the Corporation's resources and ensure their effective utilization, (ii) prevent occurrence of fraud and other irregularities, (iii) protect the accuracy and reliability of the Corporation's financial data, and (iv) ensure compliance with applicable laws, rules and regulations;

c. Oversee the IA Department and recommend the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services.

d. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;

e. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;

f. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

g. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report;

h. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
    - Any change/s in accounting policies and practices
    - Areas where a significant amount of judgment has been exercised
    - Significant adjustments resulting from the audit
    - Going concern assumptions
    - Compliance with accounting standards
    - Compliance with tax, legal and regulatory requirements.

i. Review the disposition of the recommendations in the External Auditor's management letter;

j. Perform oversight functions over the Corporation's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

k. Coordinate, monitor and facilitate compliance with laws, rules and regulations;

l. Recommend to the Board the appointment, reappointment, removal, and fees of the External Auditor, duly accredited by the SEC, who undertakes an independent audit of the Corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders; and

m. Meet with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meet with the head of the internal audit.

As of the date of this Prospectus, the Audit and Risk Management Committee is chaired by Ms. Arlene C. Keh, while Mr. Mariano D. Martinez, Jr., Mr. Luis N. Yu, Jr., Mr. Ben Chan Wei Beng, and Mr. Dominic J. Picon serve as its members.

Nominations and Compensation Committee

The Nominations and Compensation Committee is composed of at least three members of the Board, one of whom is an independent director. The Nominations and Compensation Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval. The Nominations and Compensation Committee may also establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture, strategy and the business strategy in which it operates.

As of the date of this Prospectus, the Nominations and Compensation Committee is chaired by Mr. Manuel C. Crisostomo, while Mr. Dominic J. Picone and Mr. Januario Jesus Gregorio III B. Atencio serve as its members.

Corporate Governance Committee

The Corporate Governance Committee is composed of at least three members of the Board, one of whom is an independent director. The Corporate Governance Committee reviews and evaluates the compliance of the Company with the Manual and the Philippine SEC Code of Corporate Governance for Publicly Listing Companies.

The Corporate Governance Committee has the following functions:

a. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;

b. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct an annual self-evaluation of its performance;

c. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;

d. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the Board members and senior officers, and remuneration packages for corporate and individual performance;

e. Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;

f. Propose and plan relevant trainings for the members of the Board;

g. Determine the nomination and election process for the Corporation’s directors and has the special duty of defining the general profile of Board members that the Corporation may need and ensuring appropriate knowledge, competencies, and expertise that complement the existing skills of the Board; and

h. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation’s culture and strategy as well as the business environment in which it operates.

As of the date of this Prospectus, the Corporate Governance Committee is chaired by Mr. Manuel C. Crisostomo, while Mr. Ben Chan Wei Beng and Mr. Januario Jesus Gregorio III B. Atencio serve as its members.

Executive Committee

The Executive Committee shall handle the management of the day-to-day business operations and affairs of the Company, except with respect to certain actions specifically reserved for Board action.

As of the date of this Prospectus, the Executive Committee is chaired by Mr. Mariano D. Martinez, Jr., while Mr. Luis N. Yu, Jr., Mr. Januario Jesus Gregorio III B. Atencio, and Mr. Richard L. Haosen serve as its members.

EVALUATION SYSTEM AND COMPLIANCE

As part of its system for monitoring and assessing compliance with the Manual and the Philippine SEC Code of Corporate Governance for Publicly Listed Companies, each committee is required to report regularly to the Board of Directors and the Manual is subject to quarterly review. The Compliance Officer is responsible for determining and measuring compliance with the Manual and the Philippine SEC Code of Corporate Governance. Any violation of the Company’s Corporate Governance Manual shall subject the responsible officer or employee to penalties as provide by law.

EXECUTIVE COMPENSATION SUMMARY

Compensation

The following are the Company's president and four most highly compensated executive officers for the year ended December 31, 2016:

Name	**Position**
Januario Jesus Gregorio III B. Atencio	President and CEO
Willibaldo J. Uy	Chief Operating Officer
Richard L. Haosen	Head of Treasury
Alexander Ace Sotto*	General Manager – Construction
Anthony Vincent S. Sotto**	General Manager – Operations

**resigned effective 31 December 2016*
***resigned effective 29 January 2016*

The following table identifies and summarizes the aggregate compensation (actual and expected) of the Company's President and CEO and the four most highly compensated executive officers of the Company in 2015 and 2016:

	Year	**Total[(1)] (₱)**
President and the four most highly compensated executive officers named above..		
	2015	10.5 Million
	2016	11.5 Million
	2017 (Est.)	[11.1] Million
Aggregate compensation paid to all other officers as a group unnamed		
	2015	13.7 Million
	2016	15.9 Million
	2017 (Est.)	[16.3] Million

Note:
(1) Includes salary, bonuses and other income.

Compensation of Directors

The by-laws of the Company provide that, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten (10%) percent of the net income before tax of the Company during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. However, since 2013, no directors' compensation was approved and given by the Board.

Currently, the directors are entitled to a per diem allowance of ₱10,000.00 for each attendance in the Company's board meetings.

Other Arrangements

There are no other arrangements for which the directors are compensated by the Company for services other than those provided as a director.

SIGNIFICANT EMPLOYEES

The Company has no significant employee or personnel who was not an executive officer but is expected to make a significant contribution to the business.

FAMILY RELATIONSHIPS

As of the date of this Prospectus, family relationships (by consanguinity or affinity within the fourth civil degree) between Directors and members of the Company's senior management are as follows:

Lowell L. Yu, Director, is the son of Mr. Luis N. Yu, Jr., Director.

Apart from the foregoing, there are no other family relationships up to the fourth civil degree either by consanguinity or affinity among directors or executive officers of the Company.

EMPLOYMENT CONTRACTS

The Company and its Subsidiaries have executed pro-forma employment contracts with its executive officers. These contracts basically specify the scope of services expected from these individuals and the compensation that they shall receive.

There are no arrangements for compensation to be received by these named executive officers from the Company in the event of a change in control.

WARRANTS AND OPTIONS OUTSTANDING

As of the date of this Prospectus, there are no outstanding warrants or options held by the president, the chief executive officer, the named executive officers, and all officers and directors as a group.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

Top 20 Stockholders

The 20 largest shareholders of the Company, their respective number of Common Shares, and the corresponding percentage of ownership as of September 30, 2017 are as follows:

Rank	Name	Common Shares	% of Out-standing
1	IHoldings, Inc.	2,179,035,107[4]	39.56%
2	PCD Nominee Corporation (Non-Filipino)	1,286,555,000	23.32%
3	Kwantlen Development Corporation	926,325,018[5]	16.82%
4	Januarius Holdings, Inc.	474,034,117[6]	9.87%
5	Luis N. Yu, Jr.	258,099,322	4.68%
6	PCD Nominee Corporation (Filipino)	178,619,820	3.24%
7	Mariano D. Martinez, Jr.	168,916,767[7]	3.06%
8	Januario Jesus Gregorio B. Atencio III	42,991,172[8]	0.80%
9	Rodrigo B. Libunao Jr.	1,787,000	0.03%
10	Maria Linda B. Martinez	1,000,000	0.02%
11	Antholin T. Muntuerto	300,000	nil
12	Mark Werner J. Rosal	200,000	nil
13	Nicolas C. Divinagracia	100,000	nil
14	Leopoldo E. San Buenaventura	5,600	nil
15	Ian Norman E. Dato	5,000[9]	nil
16	David L. Kho	5,000	nil
17	Angeline P. Torres	3,000	nil
18	Philasia Accumulating Income Development (PAID), Inc.	2,400	nil
19	Ma. Christmas R. Nolasco	2,000	nil
20	Hector A. Sanvictores	2,000	nil
	Subtotal	**5,517,988,323**	**100.00%**
	Others	2,397	nil
	TOTAL	**5,517,990,720**	**100.00%**

Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Company's Voting Securities

As of September 30, 2017, the following persons are directly or indirectly the record and/or beneficial owner of more than five percent (5%) of any class of the Company's voting securities:

[4] Excludes the 4,047,000 common shares lodged with PDTC.
[5] Excludes the 2,042,700 common shares lodged with PDTC.
[6] Excludes the 70,825,467 common shares lodged with PDTC.
[7] Excludes the 1,979,200 common shares lodged with PDTC and indirectly owned by Ms. Maria Linda B. Martinez, the spouse of Mr. Mariano D. Martinez, Jr.
[8] Excludes the 162,146 common shares lodged with PDTC.
[9] Excludes 1 common share lodged with PDTC

Name and Address of Record Owners	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	Total No. of Shares Held	% of Total Outstanding Shares
IHoldings, Inc. Unit 605, Ayala FGU Center, Cebu Business Park, Cebu City	The record owner is the beneficial owner of the shares indicated	Filipino	2,179,035,107 – direct 4,047,000 – indirect*	2,183,082,107	39.56%
Kwantlen Development Corporation Unit 605, Ayala FGU Center, Cebu Business Park, Cebu City	The record owner is the beneficial owner of the shares indicated	Filipino	926,325,018 – direct 2,042,700 – indirect*	928,367,718	16.81%
Januarius Holdings, Inc. Unit 605, Ayala FGU Center, Cebu Business Park, Cebu City	The record owner is the beneficial owner of the shares indicated	Filipino	474,034,117 – direct 70,825,467– indirect*	544,859,584	9.87%

**held through the PCD Nominee Corporation*

As of the date of this Prospectus, the Company's level of foreign ownership is 23.51% of its equity.

Security Ownership of Directors and Officers

As of September 30, 2017, the following are the share ownership of directors and executive officers of the Company:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Total Outstanding Shares
Common	Luis N. Yu, Jr.	258,099,322– direct	Filipino	4.68
Common	Mariano D. Martinez, Jr.	168,916,767 – direct 1,979,200 – indirect*	Filipino	3.10
Common	Januario Jesus Gregorio III B. Atencio	42,991,172 – direct 1,314,765 – indirect*	Filipino Filipino	0.80
Common	Arlene C. Keh	1 – direct	Filipino	0.0
Common	Willibaldo J. Uy	1 – direct	Filipino	0.0
Common	Manuel S. Delfin, Jr.	1 – direct	Filipino	0.0
Common	Lowell L. Yu	1 – direct	Filipino	0.0
Common	Richard L. Haosen	1 – direct 40,000 – indirect**	Filipino	0.0
Common	Manuel C. Crisostomo	100 – direct	Filipino	0.0
Common	Ian Norman E. Dato	5,001 – direct	Filipino	0.0
Common	Raul Fortunato R. Rocha	101 – direct 500,000 – indirect*	Filipino	0.01
Common	Ben Chan Wei Beng	100 – direct	Malaysian	0.0
Common	Dominic J. Picone	1 – direct 99 – indirect*	American	0.0
Common	Roan Buenaventura-Torregoza	1,500 – indirect*	Filipino	0.0

Common	Cristina S. Palma Gil-Fernandez	None	Filipino	0.0
Common	Maureen Christine O. Lizarondo-Medina	None	Filipino	0.0
Common	Teresa C. Secuya	None	Filipino	0.0
Common	Patricia Victoria G. Ilagan	None	Filipino	0.0
	Total:	473,848,133 shares		

**held through the PCD Nominee Corporation and/or owned by Mrs. Linda Martinez, the spouse of Mr. Mariano D. Martinez, Jr.*
***held through the PCD Nominee Corporation*

Voting Trust Holders

There are no persons holding more than five percent of a class of shares of the Company under a voting trust or similar agreement as of the date of this Prospectus.

Sale of Unregistered or Exempt Securities

The Company has not issued any securities within the past three years which are unregistered under the SRC or otherwise sold on the basis of an exempt transaction under the SRC.

Change in Control

As of the date of this Prospectus, there are no arrangements which may result in a change in control of the Company.

Shareholders

The Company understands that following the follow-on offering of the Company in 2014, the 8990 Majority Shareholders and each of Khazanah and TPG intended to enter into an agreement which would govern certain aspects of the relationship of the parties thereto as shareholders in the Company, and among other matters, would grant each of Khazanah and TPG the following rights:

(i) Consensus rights to discuss and agree with the 8990 Majority Shareholders in relation to certain actions with respect to the Company and the Subsidiaries, including repurchase of shares by the Company, liquidation of the Company or its Subsidiaries, material changes to the Company's business, changes to the Company's auditor, material changes to the Company's accounting and tax policies, significant transactions of the Company, related party transactions of the Company and delisting of the Company;

(ii) The right to nominate one investor nominee to the Board, as well as to nominate a non-voting observer to the boards of the Subsidiaries and to the Company's and the Subsidiaries' respective executive committees;

(iii) Certain pre-emptive rights from the 8990 Majority Shareholders in relation to sales and issuances of shares in the Company; and

(iv) A right of first refusal and tag-along rights with respect to sales by the 8990 Majority Shareholders of the Company's outstanding shares above certain agreed thresholds.

The Shareholders' Agreements are also expected to provide for the Majority Shareholders to help facilitate the exit by the Cornerstone Investors from their shareholdings in the Company if reasonably requested. They also allow for termination on the occurrence of certain events, such as the failure of the Cornerstone Investors to maintain certain ownership thresholds in the Company, among others.

RELATED PARTY TRANSACTIONS

The Company and its Subsidiaries, in their ordinary course of business, engage in transactions with related parties and affiliates. These transactions include advances and reimbursement of expenses. Settlement of outstanding balances of advances at year end occurs in cash. As of December 31, 2014, 2015 and 2016, and as of June 30, 2016 and 2017, the Company has not made any provision for impairment losses relating to amounts owed by related parties.

The summary of the Company's transactions with its related parties for the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2016 and 2017, and the related outstanding balances as of December 31, 2014, 2015 and 2016, and as of June 30, 2016 and 2017 are as follows:

	Account	Outstanding Balance as of December 31,			Terms
		2014	2015	2016	
		(₱ in millions)			
Stockholders:					
Advances	Due from related parties	4.5	70.6	24.0	Non-interest bearing, payable on demand
Advances	Due to related parties	2.7	17.1	(73.1)	Non-interest bearing, payable on demand
Borrowings	Loans payable	25.0	25.0	25.0	On demand; 7.50% per annum
Interest on borrowings	Finance costs	-	-	-	
Entities under common control:					
Advances	Due from related parties	55.8	70.9	149.2	Non-interest bearing, payable on demand
Advances	Due to related parties	2.7	63.0	(11.2)	Non-interest bearing, payable on demand

	Account	Outstanding Balance as of June 30,		Terms
		2016	2017	
		(₱ in millions)		
Entities under common control:				
Advances	Due from related parties	499.6	383.3	Non-interest bearing, payable on demand
Advances	Due to related parties	89.8	123.9	Non-interest bearing, payable on demand

Transactions Not in the Ordinary Course of Business

The Company has likewise entered into transactions with related parties otherwise than in the ordinary course of business. These transactions consist of advances to and from the 8990 Majority Shareholders and the 8990 Related Companies as disclosed in Note 29 of the consolidated financial statements included with this Prospectus.

THE PHILIPPINE STOCK MARKET

The information presented in this section has been extracted from publicly available documents which have not been

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by the Company, the Underwriters or any of their respective subsidiaries, affiliates or advisors in connection with sale of the Preferred Shares.

Brief History

The Philippines initially had two (2) stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulating, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Philippine Government have resulted in the unification of the two bourses into The Philippine Stock Exchange, Inc. The PSE was incorporated in 1992 by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. While the PSE maintains two (2) trading floors, one (1) in Makati City and the other in Pasig City, these floors are linked by an automated trading system which integrates all bid and ask quotations from the bourses.

In June 1998, the SEC granted the Self-Regulatory Organization ("SRO") status to the PSE, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On August 8, 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC. The PSE has an authorized capital stock of 97.8 million shares, of which 73,380,397 shares are outstanding. Each of the 184 member-brokers was granted 50,000 common shares of the new PSE at a par value of ₱1.00 per share. In addition, a trading right evidenced by a "Trading Participant Certificate" was immediately conferred on each member broker allowing the use of the trading facilities of the PSE. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President.

On December 15, 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the Main Board or the Small and Medium Enterprises Board of the PSE. Each index represents the numerical average of the prices of component stocks. The PSE has an index, referred to as the PHISIX, which as at the date thereof reflects the price movements of selected stocks listed on the PSE, based on traded prices of stocks from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective April 3, 2006 simultaneous with the migration to the free float index and the renaming of the PHISIX to PSEi. The PSEi is composed of shares of 30 selected companies listed on the PSE.

With the increasing calls for good corporate governance, the PSE has adopted an online daily disclosure system to improve the transparency of listed companies and to protect the investing public.

The table below sets out movements in the composite index from 1995 up to December 29, 2014 and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization (in ₱ billions)	Combined Value of Turnover (in ₱ billions)
1995	2,594.2	205	1,545.7	379.0
1996	3,170.6	216	2,121.1	668.8
1997	1,869.2	221	1,251.3	586.2
1998	1,968.8	222	1,373.7	408.7
1999	2,142.9	225	1,936.5	781.0
2000	1,494.5	229	2,576.5	357.7
2001	1,168.1	231	2,141.4	159.6
2002	1,018.4	234	2,083.2	159.7

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization (in ₱ billions)	Combined Value of Turnover (in ₱ billions)
2003	1,442.4	236	2,973.8	145.4
2004	1,822.8	235	4,766.3	206.6
2005	2,096.0	237	5,948.4	383.5
2006	2,982.5	239	7,173.2	572.6
2007	3,621.6	244	7,977.6	1,338.3
2008	1,872.9	246	4,069.2	763.9
2009	3,052.7	248	6,029.1	994.2
2010	4,201.1	253	8,866.1	1,207.4
2011	4,372.0	245	8,697.0	1,422.6
2012	5,812.7	254	10,952.7	1,771.7
2013	5,889.8	257	11,931.3	2,546.3
2014	7,230.6	270	11,905.6	2,130.1
2015	6,952.1	216	13,465.1	2,172.5
2016	7,796.2	264	15,253.5	931.7

Source: PSE

Trading

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid or ask prices are posted on the electronic trading system of the PSE. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one (1) broker at the same price are crossed at the PSE at the indicated price. Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Trading on the PSE is a continuous session from 9:30 a.m.to 3:30 p.m. with a recess from 12:00 p.m. to 1:30 p.m. inclusive of a 10-minute extension at the end of the trading session during which transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal holidays and days when the BSP clearing house is closed.

Minimum trading lots range from five (5) to 1,000,000 shares depending on the price range and nature of the security traded. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, when the price of a listed security moves up by 50.0% or down by 50.0% in one (1) day (based on the previous closing price or last posted bid price, whichever is higher), the price of that security is automatically frozen by the PSE, unless there is an official statement from the company or a government agency justifying such price fluctuation, in which case the affected security can still be traded but only at the frozen price. If the issuer fails to submit such explanation, a trading halt is imposed by the PSE on the listed security the following day. Resumption of trading shall be allowed only when the disclosure of the company is disseminated, subject again to the trading ban.

Non-Resident Transactions

When the purchase/sale of Philippine shares involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three (3) business days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

Settlement

The Securities Clearing Corporation of the Philippines ("SCCP") is a wholly-owned subsidiary of the PSE and was organized primarily as a clearance and settlement agency for SCCP eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on January 17, 2002. It is responsible for: (i) synchronizing the settlement of funds and the transfer of securities through Delivery versus Payment clearing and settlement of transactions of Clearing Members, who are also trading participants of the Exchange; (ii) guaranteeing the settlement of trades in the event of a trading participant's default through the implementation of its Fails Management System and administration of the Clearing and Trade Guaranty Fund, and (iii) performing Risk Management and Monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a three-day rolling settlement environment, which means that settlement of trades takes place three (3) trading days after transaction date ("T+3"). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under the book-entry system of the Philippine Depository & Trust Corporation's ("PDTC", formerly the Philippine Central Depository, Inc). Each trading participant maintains a Cash Settlement Account with one of the eight (8) existing Settlement Banks of SCCP which are BDO Unibank, Inc., Deutsche Bank AG (Manila Branch), Hong Kong and Shanghai Banking Corporation (Manila), Maybank Philippines, Inc., Metropolitan Bank & Trust Company, Rizal Commercial Banking Corporation, Union Bank of the Philippines, and Asia United Bank Corporation. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement ("CCCS") system on May 29, 2006. CCCS employs multilateral netting whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each Clearing Member. All cash debits and credits are also netted into a single net cash position for each Clearing Member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

Scripless Trading

In 1995, the PDTC, (formerly the Philippine Central Depository, Inc.), was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks, BDO Unibank, Inc., Deutsche Bank AG (Manila Branch), Hong Kong and Shanghai Banking Corporation (Manila), Maybank Philippines, Inc., Metropolitan Bank & Trust Company, Rizal Commercial Banking Corporation, Union Bank of the Philippines, and Asia United Bank Corporation.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favor of PCD Nominee Corporation (''PCD Nominee''), a corporation wholly owned by the PDTC whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged into the PDTC. ''Immobilization'' is the process by which the warrant or share certificates of lodging holders are canceled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares in the account of PCD Nominee through the PDTC participant will be recorded in the registry of the issuing corporation. This trust arrangement between the participants and PDTC through PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the SEC. No consideration is paid for the transfer of legal title to PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant-custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (T+3) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the CCCS system, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his shareholdings from the PDTC System, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the stockholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the upliftment of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PDC nominee. The expenses for upliftment are for the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of ownership of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are canceled and confirmation advice is issued in the name of PCD Nominee to confirm new balances of the shares lodged with the PDTC. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current ''de facto'' custodianship role.

Amended Rule on Lodgment of Securities

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the SEC, without any jumbo or mother certificate in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in the amended rule on Lodgment of Securities of the PSE.

Further, the PSE issued Memorandum No. 2010-0246 on 21 May 2010 which informed all existing listed companies to comply with the Amended Rule on Lodgment starting July 1, 2010. Subsequently, the PSE issued interpretative guidelines stating that the Amended Rule on Lodgment shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the SEC.

For listing applications, the Amended Rule on Lodgment of securities is applicable to:

- the offer shares/securities of the applicant company in the case of an initial public offering;
- the shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Philippine SEC in the case of a listing by way of introduction;
- new securities to be offered and applied for listing by an existing listed company; and
- additional listing of securities of an existing listed company.

Issuance of Stock Certificates for Certificated Shares

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply with the PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his shareholdings from the PDTC System, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are on the account of the uplifting shareholder.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of beneficial ownership in the shares to certificated securities will be charged to the person applying for upliftment.

Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the transfer agent of the relevant company.

FINANCIAL INFORMATION

The following pages set forth 8990's unaudited consolidated financial statements as of and for the six months ended June 30, 2017 and 2016 and 8990's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015, and 2014.

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