

PHINMA

Making Lives Better

PHINMA CORPORATION

(A corporation duly organized and existing under Philippine laws)
12/F PHINMA Plaza
39 Plaza Drive, Rockwell Center
Makati City 1210

Offer of up to ₱2,000,000,000
with an oversubscription option of up to ₱1,000,000,000

3.5335% p.a. Three (3)-Year Fixed Rate Bonds due 2024

at an Offer Price of 100% of Face Value

The Bonds shall be listed and traded through the Philippine Dealing & Exchange Corp.

Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners



This Prospectus is dated as of August 5, 2021.

Rizal Commercial Banking Corporation – Trust And Investments Group (“RCBC – Trust”) is the duly appointed Trustee of the Bondholders. Rizal Commercial Banking Corporation – Corporate Banking Group (“RCBC – Corporate Banking”) is one of the creditors of PHINMA Corporation and a portion of the proceeds from the Offer will be used to pay PHINMA Corporation’s maturing short-term obligations to RCBC – Corporate Banking. RCBC Trust is a separate and independent department from RCBC – Corporate Banking, each supervised and heavily regulated as separate operational groups by the Bangko Sentral ng Pilipinas (BSP).

THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) 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 SEC.

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PHINMA CORPORATION

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Makati City 1210
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Website: <https://www.phinma.com.ph/>

PHINMA Corporation (“PHINMA” or the “Issuer” or the “Company”) has filed for the registration of fixed rate bonds with a principal amount of up to ₱2,000,000,000 (the “Base Offer”) with an oversubscription option of up to ₱1,000,000,000 (the “Offer”) at an issue price of 100% of face value (the “Issue Price”), having a term of three (3) years due in 2024 (the “Bonds”), as authorized by resolutions of the Board of Directors of the Company dated March 2, 2021, and the Executive Committee of the Company, dated April 30, 2021, under this Prospectus.

The Bonds shall be offered to the public at face value through the China Bank Capital Corporation (“China Bank Capital”) and SB Capital Investment Corporation (“SB Capital”) as Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners (“Joint Lead Underwriters”) with the Philippine Depository & Trust Corp. (“PDTC”) as the Registrar of the Bonds. It is intended that upon issuance, the Bonds shall be issued in scripless form, with PDTC maintaining the scripless Register of Bondholders, and listed in the Philippine Dealing & Exchange Corp. (“PDEX”). The Bonds shall be issued in denominations of ₱50,000.00 each, as a minimum, and in multiples of ₱10,000.00 thereafter, and traded in denominations of ₱10,000.00 in the secondary market.

The Bonds shall be issued on August 20, 2021 or such other date as may be agreed by the Issuer and the Joint Lead Underwriters. After their issuance, the Bonds shall have a term ending three (3) years from the Issue Date, or on August 20, 2024, with a fixed interest rate of 3.5335% per annum. Interest on the Bonds shall be payable quarterly in arrears on November 20, February 20, May 20, and August 20 of each year while the Bonds are outstanding, or the subsequent Business Day without adjustment if such Interest Payment Date is not a Business Day. The last Interest Payment Date shall fall on the Maturity Date while the Bonds are outstanding.

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

The Bonds have been rated PRS Aa by the Philippine Rating Services Corporation (“PhilRatings”) as of May 7, 2021. The rating is not a recommendation to buy, sell, or hold securities, and is subject to an annual review, which may result in the revision, suspension, or withdrawal of the rating by the concerned, rating agency.

PHINMA expects to raise gross proceeds amounting to at least ₱2,000,000,000 and up to a maximum of ₱3,000,000,000, assuming full exercise of the oversubscription option. The net proceeds of the Bonds are expected to be approximately ₱1.96 billion and ₱2.95 billion if the oversubscription option is fully exercised. Proceeds of the Bonds will be used primarily by the Company for the (i) repayment of short-term debt obligations, (ii) investments in strategic business units, and (iii) general corporate purposes (see “Use of Proceeds”). The Joint Lead Underwriters shall receive a fee of up to 0.55% on the final aggregate nominal principal amount of the Bonds issued, which is inclusive of any fees to be paid to any Selling Agents (if any) and in accordance with the terms of the Underwriting Agreement. For a more detailed discussion on the underwriting fees to be received by the Joint Lead Underwriters, see “Plan of Distribution” of this Offer Prospectus.

PHINMA reserves the right to withdraw the offer and sale of the Bonds at any time, and the Joint Lead Underwriters reserve the right to reject any application to purchase the Bonds in whole or in part and to allot to any prospective purchaser less than the full amount of the Bonds sought by such purchaser. If the Offer is withdrawn or discontinued, PHINMA shall subsequently notify the SEC and, as applicable, the PDEX. Any of

the Joint Lead Underwriters and Selling Agents, if any, may acquire for their own account a portion of the Bonds.

The Offer is being conducted exclusively in the Philippines and pursuant to requirements under Philippine laws, rules and regulations that may be different from those of other countries and jurisdictions. No action has been or will be taken by the Issuer or any person on behalf of the Issuer to permit an offering of the Bonds in any jurisdiction other than the Philippines, where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, nor may any offering material relating to the Bonds be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

No dealer, salesman or other person has been authorized by PHINMA and the Joint Lead Underwriters to give any information or to make any representation concerning the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by PHINMA or the Joint Lead Underwriters.

PHINMA confirms that this Prospectus contains material information relating to the Company, its subsidiaries and affiliates, which is, in the context of the issue and offering of the Bonds, material (including all information required by applicable laws of the Republic of the Philippines), true, accurate, and correct in every respect. To the best of its knowledge and belief, there is no material misstatement or omission of fact, which would make any statement in this Prospectus misleading in any material respect. PHINMA confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants for inclusion into this Prospectus.

PHINMA and the Joint Lead Underwriters have exercised due diligence in ascertaining that all material representations contained in this Prospectus and any amendments and supplements are true and correct, and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading.

Neither the delivery of this Prospectus nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in this Prospectus is accurate as of any time subsequent to the date hereof. The Joint Lead Underwriters assume no liability for any information contained in this Prospectus and do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Prospectus. Unless otherwise indicated, all information contained herein is as of the date of this Prospectus.

In making an investment decision, investors must rely on their own examination of PHINMA and the terms of the Offer, including the material risks involved.

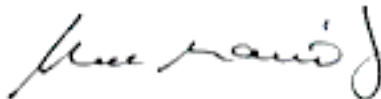
The contents of this Prospectus are not to be considered legal, business, or tax advice. Each prospective bondholder of the Bonds receiving a copy of this Prospectus acknowledges that he has not relied on the Joint Lead Underwriters in his investigation on the accuracy of any information found in the Prospectus or in his investment decision. Prospective bondholders should consult their own counsel, accountants, or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds, among others. It bears emphasis that investing in the Bonds involves certain risks (see discussion on factors to be considered in respect of an investment in the Bonds under "*Risk Factors and Other Considerations*" of the Prospectus).

PHINMA is organized under the laws of the Philippines. Its principal office address is at 12/F PHINMA Plaza, 39 Plaza Drive Rockwell Center, Makati City 1210, Philippines with telephone number +632 8870 0100.

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

PHINMA CORPORATION

By:

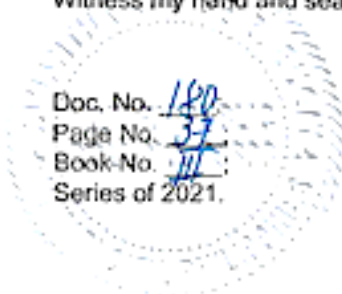


RAMON R. DEL ROSARIO, JR.
President and CEO


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

Before me, a notary public in and for the city named above, personally appeared Ramon R. del Rosario, Jr. known to me and to me known as 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 with Philippine Passport No. P5770713A issued on January 26, 2018 at DFA NCR East and valid until January 25, 2028.

Witness my hand and seal 5th day of August 2021 in Makati City.



Doc. No. 180
Page No. 37
Book No. III
Series of 2021.



SAMANTHA LOUISE B. BUGAY
NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI
APPOINTMENT NO. M-107 (2021-2022)
COMMISSION EXPIRES ON DECEMBER 31, 2022
7th Floor, The PHINMA Plaza, 39 Plaza Drive
Rockwell Center, Makati City 1210
PTR No. 8530258; Makati City; 1/4/2021
IBP O.R. No. 137577; Makati City; 1/4/2021
TIN 355-207-180
Attorney's Roll No. 73688
Admitted to the Philippine Bar, 20 June 2019

I. FORWARD LOOKING STATEMENTS

This Prospectus contains statements of future expectations, projections, including statements about the Company's beliefs or expectations, which are forward-looking statements and can generally be identified by the use of the words "anticipate," "believe," "estimate," "expect," "intend," "seek," "plan," "may," "will," "would," "could" and words of similar import. These forward-looking statements include, without limitation, statements relating to:

- the Company's overall future business, financial condition and results of operations, including, without limitation, its financial position or cash flow;
- the Company's business and investment strategy, including acquisitions and divestments, investments and potential investments in new business segments and expansion plans for its existing assets and operations or other capital expenditure plans;
- the Company's goals for or estimates of its future operational performance or results;
- the Company's dividend policy;
- the future demand for the Company's services, including demand for education, construction materials, property, hospitality, or other future products or services the Company may offer; and
- changes in the Company's regulatory environment, including policies, decisions and determinations of governmental or regulatory authorities.

Forward-looking statements involve inherent risks and uncertainties and should not be unduly relied upon. The forward-looking statements contained in this Prospectus reflect the Company's current views with respect to future events and are in most cases beyond the Company's control. Actual results or outcomes may differ materially from those expressed in any forward-looking statements as a result of a number of factors, including, among others:

- the Company's ability to successfully implement its strategies;
- the Company's ability to anticipate and respond to consumer trends;
- the Company's ability to successfully manage growth;
- the Company's ability to successfully enter into, and compete in new lines of business;
- the condition and changes in the Philippine economy;
- general political, social and economic conditions in the Philippines;
- changes to the laws, regulations and policies applicable to or affecting the Company or its business segments, including changes to laws, regulations and policies relating to the education, construction materials, property, or hospitality businesses;
- legal or regulatory proceedings in which the Company may become involved;
- changes in interest rates, inflation rates and the value of the peso against the U.S. dollar and other currencies; and
- uncontrollable events, such as war, civil unrest or acts of international or domestic terrorism, the outbreak of contagious diseases, accidents and natural disasters.

Additional factors that could cause the Company's actual results, performance or achievements to differ materially include, but are not limited to, those disclosed under "*Risk Factors and Other Considerations*". These forward-looking statements speak only as of the date of this Prospectus. The Company and the Joint Lead Underwriters expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's

expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based. In light of these risks, uncertainties and assumptions associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. The Company's actual results could differ substantially from those anticipated in the Company's forward-looking statements. Investors should not place undue reliance on any forward-looking information.

II. EXECUTIVE SUMMARY

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

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

Brief Background on the Company

PHINMA, formerly known as Bacnotan Cement Industries, Inc. (“BCII”), was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (the “SEC”) on March 12, 1957. It was founded by Ambassador Ramon V. del Rosario, Sr., Don Filemon Rodriguez, and Mr. Ernesto Escaler.

PHINMA’s principal activity is holding investments in shares in various subsidiaries, associates and investees and other financial instruments. PHINMA’s ultimate parent company is Philippine Investment-Management (PHINMA), Inc. (“PHINMA, Inc.”).

Starting with an investment in a cement plant in Cebu, PHINMA now owns and manages strategic business units focused on education, construction materials, property, and hospitality. Boasting a nationwide network of accessible, quality tertiary educational institutions and the widest distribution network for construction materials, PHINMA has been making lives better for the Filipino people for more than 60 years.

The common shares of PHINMA were listed on the Philippine Stock Exchange (the “PSE”) on August 15, 1958 and as of July 13, 2021, PHINMA had a market capitalization of ₱4.08 billion with a common share price of ₱14.98.

With the diversification of its portfolio, PHINMA continues to build the nation through well-managed and profitable businesses that cater to the needs of the market. By continuing this successful strategy and pursuing expansion plans within each business unit, PHINMA believes this will allow them to achieve an acceptable revenue mix and profitability. The consolidated revenues, gross profit, and net income of PHINMA for the year ended December 31, 2020 were ₱12.30 billion, ₱3.26 billion, and ₱521.94 million respectively, and for the year ended December 31, 2019 were ₱11.32 billion, ₱3.24 billion, and ₱437.12 million respectively.

PHINMA’s four key strategic business units are (1) Construction Materials, (2) Education, (3) Property, and (4) Hospitality.

Construction Materials Group

PHINMA operates its construction materials business through three (3) subsidiaries, namely, Union Galvasteel Corporation (“UGC”), Philcement Corporation (“Philcement”), and PHINMA Solar Energy Corporation (“PHINMA Solar”), a wholly-owned subsidiary of UGC. The Construction Materials Group aims to maximize synergies among the various companies within the group to provide innovative construction solutions to its customers, offering one-stop shop services, from floor to roofing, and providing superior convenience and service to customers nationwide.

The steel division of Bacnotan Cement Industries was operated since 1963 before it was incorporated in June 1993 as Bacnotan Steel Corporation and later renamed UGC. UGC is a leading manufacturer of pre-painted galvanized iron roofing products and other steel products such as steel decking, frames, pre-engineered building systems and insulated panels used for cold storage and other facilities.

PHINMA Solar, formerly known as Trans-Asia Wind Power Corporation, was incorporated in the Philippines and registered with SEC on July 26, 2013. PHINMA Solar’s primary focus was to construct, develop, own operate, manage, repair and maintain solar power generation plants, to generate electricity from such power plants and to market and sell the electricity produced thereby. Since then, the company has evolved from a lease model to a sale on installment model to maximize cashflow and mitigate exposure on fluctuation in the energy generation and prices.

Philcement was incorporated on September 22, 2017 to engage in the processing, distribution, marketing, importing, trading – wholesale and retail, selling, and distributing cement, cement products, and other by-products and establishing, operating, and managing cement supply terminals. Philcement represents PHINMA’s re-entry into the cement industry by re-introducing PHINMA’s legacy brand “Union Cement”. Philcement likewise provides opportunities for synergies with UGC.

Education Group

PHINMA Education Holdings, Inc. (“PHINMA Education”) holds majority equity interests in the following schools, all of which provide quality and accessible basic and tertiary education to students from low to middle income families in developing urban centers:

- Pamantasan ng Araullo (Araullo University), Inc. (“AU”)
 - Cagayan de Oro College, Inc. (“COC”)
 - University of Pangasinan, Inc. (“UPang”) and its subsidiary PHINMA UPang College Urdaneta, Inc. (“PUCUI”)
 - University of Iloilo (“UI”)
 - Southwestern University, Inc. (“SWU”)
 - St Jude College, Inc. (“SJC”)
 - The Republican College, Inc. (“RCI”)
 - Rizal College of Laguna, Inc. (“RCL”)
 - Union College of Laguna, Inc. (“UCL”)
- (Collectively, the “PHINMA Education Schools”)

PHINMA Education has also ventured outside the Philippines through joint partnerships in:

- PHINMA Saytanar Education Company Limited (“PHINMA Saytanar”), Myanmar
- PT Ind Phil Management (“IPM”), Indonesia

Properties Group

PHINMA holds business interests in property management and development through Asian Plaza Inc. (“API”), PHINMA Property Holdings Corporation (“PPHC”), ABCIC Property Holdings, Inc. (“APHI”) and P&S Holding Corporation (“PSHC”).

PPHC serves as the Group’s property development arm and pioneered the Medium Rise Building (“MRB”) for the low income market. The success of its first MRB project became the basis for its subsequent projects. Since then, PPHC has been specializing in the development of easy-to-own medium-rise residential condominiums, socialized housing units, and even upscale developments in Metro Manila, Davao City, Cebu City and Batangas. As of end 2020, it has built close to 14,200 MRB units in Metro Manila since 1998. Select completed and ongoing projects of PPHC include AsiA Enclaves and Solano Hills in Muntinlupa City, L’Oasis in Malabon City, and Aspire Homes in Cebu City.

PPHC, through its subsidiary Community Property Managers Group, Inc., offers property management services to condominium corporations of condominium communities developed within Metro Manila. PPHC also launched Pathways, which offers co-working related services.

Hospitality Group

PHINMA has a direct 23.75% equity interest in Coral Way City Hotel (“Coral Way”), the owner of Microtel by Wyndham Mall of Asia. Coral Way has a wholly owned subsidiary, Krypton Esplanade Hotel Corporation, which owns the 191-room TRYP by Wyndham Mall of Asia. PHINMA, through API, has also a 36.23% equity interest in PHINMA Hospitality, the hospitality arm of the Group.

All Microtel by Wyndham hotels in the country are managed by PHINMA Hospitality under license from PHINMA Microtel Hotels Inc., which is 51.00%-owned by PHINMA, Inc.

PHINMA Hospitality operates 14 Microtel by Wyndham hotels and one TRYP by Wyndham hotel in the country. It is also a joint venture partner in majority of these properties, including the flagship 150-room Microtel

by Wyndham Mall of Asia.

Microtel by Wyndham is an international chain of limited service hotels under Wyndham Hotel Group with 300+ Microtel properties worldwide, including 14 in the Philippines. Microtel by Wyndham pioneered the no-frills hotel concept in the country that targets the mid-market traveler.

TRYP by Wyndham is a select-service hotel chain located in many of the most exciting cities such as Paris, Berlin, Barcelona, New York, São Paulo, Brisbane and Manila, and targets today's modern travelers with its hip, young and energetic interiors. It offers specialty rooms such as Family Rooms with bunk beds, Lofts with spacious living area and bunk beds in the upper level, and Fitness Room complete with exercise equipment. It is a showcase of Manila's culture and people, and genuine Filipino hospitality.

Key Strengths

PHINMA believes that its principal strengths include the following:

- *Multi-Generational Management Expertise Across Multi-Sector Industries*
- *Strategic Cross-Business Synergies*
- *Wide Distribution Network with Flexible and Cost-Efficient Supply Chain*
- *Superior Product and Growing Brand Reputation*
- *Sustainable and Integrated Expansion of the Educational Services Business*
- *Strong Talent Management Across the Group*

Corporate Strategies

The principal strategies of PHINMA include the following:

- PHINMA
 - *Enhance the value of its various business segments through a structured portfolio approach*
 - *Provide strong parent support to optimize growth opportunities and sustainability*
 - *Provide prudent financial and liquidity management to support both growth and risk management*
- Construction Materials Group
 - *Strong management presence and leadership to empower growing teams and businesses*
 - *Develop superior products and services through regional partnerships that elevate technical know-how*
 - *Agility to capture opportunities by continuously strengthening internal capabilities and improving operational efficiency*
 - *Grow market presence by capitalizing on consumer trends and leveraging synergies and brand of the Construction Materials Group & PHINMA Group*
 - *Increase profitability through expanding capacity and diversifying product line*
- Education Group
 - *Increase enrollment through organic growth as well as acquisitions*
 - *Expand network in comparable international markets where best practice can be leveraged*
 - *Develop and strengthen the PHINMA Education Learning Model to adapt to a changing market*
- Properties Group
 - *Focus expansion on growing urban centers*
 - *Strengthen presence in attractive niche markets*
- Hospitality Group
 - *Capitalize on strong institutional and corporate partnerships*
 - *Implement flexible and agile operations amidst gradual recovery from the pandemic*
 - *Continuously implement safety and health protocols as well as sustainable practices*

Risks of Investing

Before making an investment decision, investors should carefully consider the risks associated with investing in the Bonds. For a more detailed discussion, see “*Risk Factors and Other Considerations*”.

- Risks Related to the Company
 - *Dividend Restriction*
 - *Business Cyclicity Risk*
 - *Competition Risk*
 - *Market Risk*
 - *Regulatory Risk*
 - *Supply Chain Risk*
 - *Subsidiary Cashflow Risk*
 - *People Risk*
 - *Execution Risk*
 - *Dependence on Key Facilities and Equipment*
 - *Dependence on Logistics*
 - *Dependence on Weather*
 - *Information Security Risk*
- Risks Related to the Philippines
 - *Extended Global Pandemics*
 - *Territorial Disputes*
 - *Political and Social Instability*
 - *Impact of CREATE Law*
 - *Foreign Exchange Risk*
 - *Sovereign Ratings Risk*
- Risks Related to the Bonds
 - *Liquidity Risk*
 - *Reinvestment Risk*
 - *Credit Risk*
 - *Retention of Ratings Risk*
 - *Failure to List*

Use of Proceeds

The gross proceeds of the Offer shall be used for (i) refinancing of short-term debt obligations, (ii) investments in strategic business units, and (iii) general corporate purposes. For a more detailed discussion, see the “*Use of Proceeds*”.

Plan of Distribution

PHINMA plans to distribute and issue the Bonds to institutional and retail investors through a public offering to be conducted through the Joint Lead Underwriters. For a more detailed discussion, see the “*Plan of Distribution*”.

Investor Relations Office

The investor relations office will be tasked with (a) the creation and implementation of an investor 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 stakeholders of the Company as well as to the broader investor community.

The investor relations office will be responsible for receiving and responding to investor and shareholder queries and ensuring that investors and shareholders have easy and direct access to the official and designated spokespersons of the Company.

Edmund Alan A. Qua Hiansen has been appointed by the Board as the head of the investor relations office and serves as the Investor Relations Officer (“IRO”) of the Company. The IRO will ensure that the Company complies with and files on a timely basis all required disclosures and continuing requirements of the SEC, PSE and PDEX. The IRO will also be responsible for ensuring that the investors have timely and uniform

access to official announcements, disclosures and market-sensitive information relating to the Company. In addition, the IRO will oversee most aspects of the shareholder meetings, press conferences, investor briefings, and management of the investor relations portion of the Company website.

The investor relations office will be located in the principal place of business of the Company with contact details as follows:

12F PHINMA Plaza, 39 Plaza Drive
Rockwell Center, Makati City,
Philippines, 1210
Telephone no: +632 8870 0231
Fax no: +632 8870 0456
Email: investorrelations@phinma.com.ph
Website: <https://www.phinma.com.ph/>

Summary of Financial Information

Prospective purchasers of the Offer should read the summary of financial data below together with the consolidated financial statements, including the notes thereto, included in this Prospectus and "Management's Discussion and Analysis of Results of Operations and Financial Condition". The summary financial data for the three (3) years ended December 31, 2020, 2019 and 2018 are derived from the audited consolidated financial statements of PHINMA, including the notes thereto, which are found as Exhibit 2 of this Prospectus. The detailed financial information for the three (3) months ended March 31, 2021 and 2020 are found as Exhibit 3 of this Prospectus.

The summary financial and operating information of PHINMA presented below as of and for the years ended December 31, 2020, 2019 and 2018 were derived from the consolidated financial statements of PHINMA, audited by SyCip Gorres Velayo & Co. ("SGV") and prepared in compliance with the Philippine Financial Reporting Standards ("PFRS"). The summary financial reporting and operating information of PHINMA presented below as of March 31, 2021 and for the three (3) months ended March 31, 2021 and 2020 have been prepared in accordance with Philippine Accounting Standard ("PAS") 34, *Interim Financial Reporting*. The historical financial condition, results of operations and cash flows of PHINMA are not a guarantee of its future operating and financial performance.

Consolidated Statement of Income Data

In '000s	Three Months Ended March 31 (Unaudited)		Years Ended December 31 (Audited)		
	2021	2020	2020	2019	2018
REVENUES					
Revenue from contracts with customers	₱3,857,958	₱3,043,902	₱12,175,110	₱11,120,447	₱9,781,370
Rental income	17,162	15,994	74,025	86,069	79,423
Investment income	5,364	14,626	52,616	118,395	69,309
	3,880,484	3,074,522	12,301,751	11,324,911	9,930,102
COSTS AND EXPENSES					
Cost of sales	2,338,723	1,652,775	7,659,460	6,312,840	6,065,989
Cost of educational, installation, hospital and consultancy services	360,031	453,179	1,377,370	1,770,415	1,236,568
General and administrative expenses	344,240	326,413	1,395,853	1,622,954	1,556,953
Selling expenses	163,770	168,301	523,694	550,527	494,958
	3,206,764	2,600,668	10,956,377	10,256,736	9,354,468
OTHER INCOME (EXPENSES)					
Interest expense and other financing charges	(119,423)	(126,935)	(626,768)	(463,788)	(398,384)
Foreign exchange gains (losses) – net	29,917	9,514	(152,625)	(50,799)	35,403
Loss on deconsolidation	–	–	(11,188)	–	–
Net losses on derivatives	(570)	(319)	(7,039)	(2,098)	(13,386)
Equity in net earnings (losses) of associates and joint ventures	(9,926)	(7,012)	1,968	44,217	(107,658)
Gain on sale of property, plant and equipment – net	–	(162)	855	1,314	12,242
Gain on pre-termination of long-term lease	–	6,537	–	–	–
Loss on sale of investment in an associate	–	–	–	(13,080)	–
Provision for unrecoverable input value-added tax	–	–	–	(8,393)	(1,296)
Gain on sale of investment properties	–	–	–	7,702	30,699

In '000s	Three Months Ended March 31 (Unaudited)		Years Ended December 31 (Audited)		
	2021	2020	2020	2019	2018
Gain on tax-free exchange of land	—	—	—	—	164,235
Others – net	1,560	32,158	73,302	50,226	52,899
	(98,442)	(86,219)	(721,495)	(434,699)	(225,246)
INCOME BEFORE INCOME TAX	575,278	387,635	623,879	633,476	350,388
PROVISION FOR (BENEFIT FROM) INCOME TAX					
Current	32,170	77,333	136,586	217,638	170,563
Deferred	14,116	(11,813)	(34,647)	(21,285)	5,004
	46,286	65,520	101,939	196,353	175,567
NET INCOME	₱528,992	₱322,115	₱521,940	₱437,123	₱174,821
Attributable to:					
Equity holders of the Parent	₱303,551	₱171,778	₱172,637	₱232,507	₱25,874
Non-controlling interests	225,441	150,337	349,303	204,616	148,947
NET INCOME	₱528,992	₱322,115	₱521,940	₱437,123	₱174,821

Consolidated Statement of Financial Position

In '000s	March 31	2020	December 31	2018
	2021		2019	
	(Unaudited)	(Audited)	(Audited/ As restated)	(Audited)
ASSETS				
Current Assets				
Cash and cash equivalents	₱2,867,367	₱2,888,863	₱3,183,795	₱2,436,275
Short-term investments	–	–	–	323,984
Investments held for trading	2,367,631	2,129,822	2,198,264	592,165
Trade and other receivables	3,875,571	3,422,386	2,935,958	2,270,753
Inventories	1,257,508	1,607,981	1,379,667	1,339,726
Input value-added taxes	61,383	85,413	44,823	11,079
Derivative asset	–	–	–	1,911
Other current assets	295,671	191,595	155,281	217,304
	10,725,131	10,326,060	9,897,788	7,193,197
Noncurrent asset held for sale	–	–	–	1,827,667
Total Current Assets	10,725,131	10,326,060	9,897,788	9,020,864
Noncurrent Assets				
Investment in associates and joint ventures	1,193,846	1,200,471	1,179,675	1,132,403
Financial assets at fair value through other comprehensive income	109,350	110,105	109,563	243,434
Property, plant and equipment	10,188,473	9,390,754	7,929,319	6,244,433
Investment properties	628,354	628,669	629,934	607,298
Intangible assets	1,844,892	1,825,673	1,828,515	1,772,008
Right-of-use assets	374,903	398,503	250,565	–
Deferred tax assets – net	97,073	133,911	101,682	37,481
Other noncurrent assets	491,313	458,269	451,355	56,172
Total Noncurrent Assets	14,928,204	14,146,355	12,480,608	10,093,229
	₱25,653,335	₱24,472,415	₱22,378,396	₱19,114,093
LIABILITIES AND EQUITY				
Current Liabilities				
Notes payable	₱1,641,008	₱1,325,910	₱968,880	₱244,005
Trade and other payables	1,774,489	1,960,103	1,362,344	1,720,299
Contract liabilities	686,139	609,274	1,005,957	771,418
Trust receipts payable	1,535,513	2,030,876	1,203,906	877,655
Derivative liability	602	32	1,405	1,544
Income and other taxes payable	36,931	51,188	122,772	104,775
Current portion of:				
Long-term debt	543,269	519,381	314,730	209,234
Lease liabilities	119,642	105,176	44,376	–
Due to related parties	164,654	151,110	92,543	79,165
Total Current Liabilities	6,502,247	6,753,050	5,116,913	4,008,095

(Forward)

In '000s	March 31	2020	December 31	2018
	2021		2019	
	(Unaudited/ As restated)	(Audited)	(Audited/ As restated)	(Audited)
Noncurrent Liabilities				
Long-term debt – net of current portion	₱7,589,580	₱6,539,023	₱7,079,490	₱6,503,776
Non-controlling interest put liability	1,655,092	1,585,853	900,011	–
Deferred tax liabilities – net	421,317	422,434	362,058	362,537
Pension and other post-employment benefits	254,507	253,653	287,935	209,679
Lease liabilities – net of current portion	275,500	314,495	234,854	–
Other noncurrent liabilities	59,514	50,493	54,460	66,953
Total Noncurrent Liabilities	10,255,510	9,165,951	8,918,808	7,142,945
Total Liabilities	16,757,757	15,919,001	14,035,721	11,151,040
Equity Attributable to Equity Holders of the Parent				
Capital stock	₱2,863,312	₱2,863,312	₱2,863,312	₱2,863,312
Additional paid-in capital	259,248	259,248	259,248	259,248
Treasury shares	(136,965)	(136,347)	(134,460)	(42,717)
Exchange differences on translation of foreign operations	(712)	297	205	(1,011)
Equity reserves	9,214	34,694	153,976	(27,709)
Other comprehensive income	38,017	38,922	40,284	66,578
Share in other comprehensive income of associates	1,164	(2,137)	(20,965)	(6,177)
Retained earnings	3,708,600	3,522,003	3,495,554	3,671,143
Equity Attributable to Equity Holders of the Parent	6,741,878	6,579,992	6,657,154	6,782,667
Non-controlling Interests	2,153,700	1,973,422	1,685,521	1,180,386
Total Equity	8,895,578	8,553,414	8,342,675	7,963,053
	₱25,653,335	₱24,472,415	₱22,378,396	₱19,114,093

Consolidated Statement of Cash Flow

In '000s	Three Months Ended March 31		Years Ended December 31		
	(Unaudited)		(Audited)		
	2021	2020	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax	₱575,278	₱387,635	₱623,879	₱633,476	₱350,388
Adjustments to reconcile income before income tax to net cash flows:					
Interest expense and other financing charges	119,423	126,935	626,768	463,788	398,384
Depreciation and amortization	152,981	124,387	496,677	358,730	321,258
Unrealized foreign exchange loss (gain) – net	(21,010)	929	152,625	50,799	(35,403)
Pension and other employee benefits expense	15,124	17,361	55,924	58,206	63,815
Interest income	(716)	(8,459)	(24,568)	(65,351)	(53,501)
Unrealized gain on change in fair value	(4,456)	(6,165)	(15,075)	(20,757)	(3,952)
Gain on bargain purchase	–	–	(11,340)	–	–
Loss on deconsolidation	–	–	11,188	–	–
Net loss on derivatives	570	319	7,039	2,098	13,386
Gain on pre-termination of long-term leases	–	(6,537)	(5,274)	–	–
Equity in net losses (earnings) of associates and joint ventures	9,926	7,012	(1,968)	(44,217)	107,658
Loss (gain) on sale of property, plant and equipment	–	162	(855)	(1,314)	(12,242)
Dividend income	(192)	(2)	(194)	(125)	(133)
Impairment loss on goodwill	–	–	–	14,120	–
Loss on sale of investment in an associate	–	–	–	13,080	–
Provision of allowance on input VAT	–	–	–	8,393	1,296
Gain on sale of investment properties	–	–	–	(7,702)	(30,699)
Impairment in investments	–	–	–	–	271,601
Gain on tax-free exchange	–	–	–	–	(164,235)
Operating income before working capital changes	846,928	643,577	1,914,826	1,463,224	1,227,621
Decrease (increase) in:					
Trade and other receivables	(456,597)	(106,324)	(522,821)	(713,386)	(532,786)
Inventories	350,473	(424,332)	(228,314)	(39,941)	(313,469)
Other current assets	(80,046)	(56,396)	(81,907)	(7,259)	25,285
Increase (decrease) in:					
Trade and other payables	(232,395)	596,233	444,995	(666,463)	880,493
Trust receipts payable	(495,363)	529,913	826,970	326,251	355,915
Contract liabilities	76,865	(838,349)	(396,683)	234,539	227,871
Net cash provided by operations	9,865	344,322	1,957,066	596,965	1,870,930
Interest paid	(181,751)	(145,063)	(574,138)	(443,487)	(391,917)
Income tax paid	(23,924)	(58,377)	(199,572)	(235,635)	(105,122)
Contributions to the pension fund	(24,749)	(51,477)	(79,278)	(70,411)	(73,508)
Interest received	4,128	6,140	20,732	64,432	49,873
Net cash provided by (used in) operating activities	(216,431)	95,545	1,124,810	(88,136)	1,350,256

(Forward)

In '000s	Three Months Ended March 31		Years Ended December 31		
	(Unaudited)		(Audited)		
	2021	2020	2020	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to:					
Investment held for trading	(P1,201,134)	(P1,567,932)	(P2,071,095)	(P3,261,303)	P–
Property, plant and equipment	(925,108)	(422,061)	(1,259,822)	(1,681,749)	(1,381,935)
Intangible assets	(165)	(1,552)	(861)	(12,578)	(954)
Investment in associates	–	–	–	(229,651)	(86,771)
Investment properties	–	–	–	(34,222)	(2,307)
Proceeds from sale of:					
Short-term investments and investments held for trading	983,419	2,259,859	2,154,612	1,999,945	737,854
Property, plant and equipment	123	81	6,779	2,016	18,098
Investment properties	–	–	–	7,924	32,286
Financial assets at fair value through other comprehensive income	–	–	–	78,564	–
Acquisition of subsidiary – net of cash acquired	–	–	(448,463)	(216,075)	–
Proceeds from sale of subsidiary – net of cash disposed	–	–	46,635	–	–
Increase in other noncurrent assets	(33,044)	(35,242)	(33,216)	(58,138)	(24,180)
Dividends received	192	2	194	3,925	53,564
Proceeds from sale of an associate	–	–	–	1,814,587	–
Net cash used in investing activities	(1,175,717)	233,155	(1,605,237)	(1,586,755)	(654,345)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments of:					
Notes payable	(1,377,500)	(96,294)	(1,594,193)	(201,582)	(254,050)
Cash dividends	(15,275)	(173,866)	(226,705)	(339,784)	(288,684)
Treasury shares	(618)	(1,083)	(1,887)	(91,743)	(25,810)
Long-term debt	(137,475)	(54,215)	(342,778)	(143,470)	(2,775)
Lease liabilities	(29,864)	(7,592)	(134,426)	(34,938)	–
Proceeds from availments of:					
Notes payable	1,692,598	123,471	1,951,223	926,457	453,250
Long-term debt	1,210,849	–	–	817,766	1,125,000
Issuance of shares to non-controlling interests	–	621,413	632,286	1,752,040	–
Increase (decrease) in other noncurrent liabilities	9,021	12,551	(3,967)	(12,493)	7,474
Increase (decrease) in due to related parties	13,544	(15,469)	58,567	13,378	(18,116)
Acquisition of non-controlling interests	–	–	–	(212,421)	(212,095)
Net cash provided by financing activities	1,365,280	408,916	338,120	2,473,210	784,194
EFFECT OF EXCHANGE RATE CHANGES ON					
CASH AND CASH EQUIVALENTS	5,372	(1,669)	(152,625)	(50,799)	35,403
NET INCREASE (DECREASE) IN CASH					
AND CASH EQUIVALENTS	(21,496)	735,947	(294,932)	747,520	1,515,508
CASH AND CASH EQUIVALENTS					
AT BEGINNING OF YEAR	2,888,863	3,183,795	3,183,795	2,436,275	920,767

In '000s	Three Months Ended March 31 (Unaudited)		Years Ended December 31 (Audited)		
	2021	2020	2020	2019	2018
CASH AND CASH EQUIVALENTS					
AT END OF YEAR	₱2,867,367	₱3,919,742	₱2,888,863	₱3,183,795	₱2,436,275

Key Performance Indicators

Below are the top KPI's used to measure the financial performance of PHINMA as of and for the years ended December 31, 2020, 2019 and 2018 consolidated financial statements, and as of and for the three (3) months ended March 31, 2021 interim condensed consolidated financial statements.

Financial KPI	Definition	Three months	For the year ended December 31,		
		ended March 31,	2020	2019	2018
		2021			
<u>Profitability</u>					
Return on Equity	$\frac{\text{Net Income Attributable to Equity holders of the Parent}}{\text{Average Equity Attributable to Equity Holders of the Parent}^1}$	4.56%	2.61%	3.46%	0.38%
Gross Profit Margin	$\frac{\text{Gross Profit}^2}{\text{Total Revenues}}$	30.45%	26.54%	28.62%	26.46%
<u>Efficiency</u>					
Cash Flow Margin	$\frac{\text{Cash flows from Operating Activities}}{\text{Total Revenues}}$	(5.58%)	9.14%	(0.78%)	13.60%
<u>Liquidity</u>					
Current Ratio	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	1.65 : 1.00	1.53 : 1.00	1.93 : 1.00	2.25 : 1.00
Debt-to-Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	1.88 : 1.00	1.86 : 1.00	1.68 : 1.00	1.40 : 1.00
Asset to Equity	$\frac{\text{Total Assets}}{\text{Total Equity EBITDA}^3}$	2.88	2.86	2.68	2.40
Interest Coverage Ratio	$\frac{\text{Interest Expense and Other Financing Charges}}{\text{Interest Expense and Other Financing Charges}}$	7.10	2.79	3.14	2.69

¹ Average Equity Attributable to Equity Holders of the Parent is derived by dividing in two (2) the sum of beginning Equity Attributable to Equity Holders of the Parent and ending Equity Attributable to Equity Holders of the Parent.

² Gross Profit is calculated by deducting cost of sales and cost of educational, installation, hospital and consultancy service from total revenues.

³ EBITDA is net income of the Issuer after adding back (i) interest expense and other financing charges (ii) provision for (benefit from) income tax and (iii) depreciation and amortization.

III. DEFINITION OF TERMS

As used in this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below:

“ABCOMP”	The Association of Bank Compliance Officers
“ADB”	The Asian Development Bank
“Affiliate”	With respect to any Person, any other Person other than a Subsidiary, (a) directly or indirectly Controlling, Controlled by, or under direct or indirect common Control with, such Person, or who is a director or officer of such Person or (b) any subsidiary of such Person or of any Person referred to in clause (a) of this definition.
“AIDS”	Acquired Immunodeficiency Syndrome
“API”	Asian Plaza Inc.
“APHI”	ABCIC Property Holdings, Inc.
“Applicable Law”	Any (i) statute, law, regulation, ordinance, rule, judgment, order, decree, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority; and (ii) any directive, guideline, policy, or requirement of any Governmental Authority having the force and effect of law.
“Applicant”	Any person who submits a duly accomplished Application to Purchase, together with all requirements set forth therein.
“Application” or “Application to Purchase”	The application form accomplished and submitted by an Applicant for the purchase of a specified amount of the Bonds, together with all the requirements set forth therein.
“ASEAN”	Association of Southeast Asian Nations
“AU”	Pamantasan ng Araullo (Araullo University), Inc.
“Base Offer”	Fixed-rate bonds with a principal amount of up to ₱2,000,000,000
“Bayanihan Act”	Republic Act No. 11469 or the Bayanihan to Heal as One Act
“BCII”	Bacnotan Consolidated Industries, Inc.
“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 shares or 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:

(a) held by members of his immediate family sharing the same household;
(b) held by partnership in which he is a general partner;
(c) held by a corporation of which he is a controlling shareholder; or
(d) subject to any contract, arrangement or understanding which gives him voting power or investment 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:

- i. A broker dealer;
- ii. An investment house registered under the Investment Houses Law;
- iii. A bank authorized to operate as such by the BSP;
- iv. An insurance company subject to the supervision of the Office of the Insurance Commission;
- v. An investment company registered under the Investment Company Act
- vi. A pension plan subject to regulation and supervision by the BIR and/or the Office of the Insurance Commission or relevant authority; and
- vii. A group in which all of the members are persons specified above.

“BIR”	The Bureau of Internal Revenue of the Philippines
“Board of Directors” or “Board” or “Directors”	The Board of Directors of PHINMA
“Bond Agreements”	Collectively, the Trust Agreement, the Underwriting Agreement, and the Registry and Paying Agency Agreement, and any amendments thereto.
“Bondholder”	A Person whose name appears, at any time, as a holder of the Bonds in the Registry Book
“Bonds”	the Philippine Peso-denominated fixed rate bonds with a term of three (3) years due 2024 to be issued by the Issuer with an aggregate principal amount of up to ₱2,000,000,000.00 and with an oversubscription option of up to up to ₱1,000,000,000.00.
“BPI”	Bank of the Philippine Islands
“BPS”	Bureau of Philippine Standards
“BSBA”	Bachelor of Science Business Administration
“BSP”	<i>Bangko Sentral ng Pilipinas</i>
“Business Day”	A day, other than Saturday, Sunday, or legal holiday, on which the facilities of the Philippine banking system are open and available for clearing, and banks are open for business in Makati City, Metro Manila, Philippines.
“Capital Stock”	With respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations, or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the date of the Bond Agreements or issued hereafter, including, without limitation, all common stock and preferred stock of such Person.

“CARD”	Center for Agricultural and Rural Development, Inc.
“CBCap”	China Bank Capital Corporation
“CDCC”	Community Developers and Construction Corporation
“CEO”	Chief Executive Officer
“CFO”	Chief Financial Officer
“CGBP”	Center for Global Best Practices
“Change of Control”	The acquisition, at any given time, by any person or persons acting in concert or any third person or persons acting on behalf of such person(s), whether directly or indirectly, of a controlling participation in the Company. For purposes of this paragraph, the word “controlling participation” means ownership of at least 51% of the total issued and outstanding voting capital stock, or the right to elect at least 51% of the total number of the members of the Board of Directors of the Company.
“CHED”	Commission on Higher Education
“CMG”	Construction Materials Group
“CMO”	CHED Memorandum Order
“CNC”	Certificate of Non-Coverage
“COC”	Cagayan de Oro College, Inc.
“Consolidated Total Liabilities”	The total liabilities as recognized and measured in its fiscal year-end audited consolidated financial statements in conformity with PFRS.
“Consolidated Total Equity”	The total stockholders’ equity of the Issuer as of the relevant date for calculation (for the avoidance of doubt, including non-controlling interests) as recognized and measured in its fiscal year-end audited consolidated financial statements in conformity with PFRS.
“Control”	As applied to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms “Controlling”, “Controlled by” and “under common Control with” shall have correlative meanings.
“Controlling Stockholders”	means (a) Philippine Investment Management (PHINMA), Inc. and (b) any Affiliate of, or any Person who is a Related Person with respect to, those mentioned in (a).
“COO”	Chief Operations Officer
“COVID-19”	2019 Novel Coronavirus Acute Respiratory Disease, which was later renamed as Coronavirus Disease 2019

“Coral Way”	Coral Way City Hotel
“CORTT”	Certificate of Residence for Tax Treaty Relief
“CPA”	Certified Public Accountant
“CPMGI”	Community Property Managers Group, Inc.
“CREATE Law”	Corporate Recovery and Tax Incentives for Enterprise Act or Republic Act No. 11534, Package 2 under the Comprehensive Tax Reform Program
“CRO”	Chief Risk Officer
“CSR”	Corporate Social Responsibility
“CTA”	Philippine Court of Tax Appeals
“CTRP”	Comprehensive Tax Reform Program, composed of TRAIN Law and CREATE Law
“CTS”	Contract to Sell
“CY”	Calendar Year
“DAO”	Department Administrative Order
“Data Privacy Act”	Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012
“DDA”	Demand Deposit Account
“Debt-to-Equity Ratio”	The ratio computed as Consolidated Total Liabilities/Consolidated Total Equity both as reflected in the Issuer’s consolidated financial statements prepared in accordance with PFRS.
“Declaration of Default”	The declaration by (i) the Trustee upon the written direction of the Majority Bondholders, by notice in writing delivered to the Issuer, or (ii) the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, that the Issuer is in default and the principal of the Bonds then outstanding, together with all accrued and unpaid interest thereon and all amounts due thereunder, are due and payable.
“Default Payment Date”	The date which is no later than five (5) Business Days from receipt of the Declaration of Default when the principal of the Bonds then outstanding, together with all accrued and unpaid interest thereon and all amounts due thereunder, must be paid by the Issuer.
“DENR”	Department of Environment and Natural Resources
“DepEd”	Department of Education

“Disruption Event”	Means either or both of: (a) a material disruption to those payment communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the transactions contemplated by the Trust Agreement to be carried out which disruption is not caused by, and is beyond the control of, any of the parties; or (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a party preventing that party from: (i) performing its payment obligations under the Trust Agreement and the Registry and Paying Agency Agreement; or (ii) communicating with other relevant parties (including, but not limited to, the Trustee and the Registrar and Paying Agent) in accordance with the terms of the Trust Agreement and the Registry and Paying Agency Agreement.
“DHSUD”	Department of Human Settlements and Urban Development
“DO”	Department Order
“DOH”	Department of Health
“DOLE”	Department of Labor and Employment
“DOT”	Department of Tourism
“DTI”	Department of Trade and Industry
“Duties”	Safeguard duties
“EBITDA”	Net income of the Issuer after adding back (i) interest expense and other financing charges (ii) provision for (benefit from) income tax and (iii) depreciation and amortization.
“ECC”	Environmental Compliance Certificates granted by the Department of Environment and Natural Resources.
“ECQ”	Enhanced Community Quarantine
“EIS”	Environmental Impact Statement
“EMB”	Environmental Management Bureau
“EPC”	Engineering, Procurement and Construction
“Event of Default”	Each of the events described as such under “ <i>Events of Default</i> ”.
“FIA”	Foreign Investments Act of 1991

“Final Redemption Amount”	100% of the face value of the Bonds on Maturity Date.
“Financial Indebtedness”	all indebtedness or other obligations of the Issuer for borrowed money or for the deferred purchase price of property or services and similar arrangements; (ii) all indebtedness or other obligations of any other Person, the payment or collection of which is guaranteed by the Issuer, or in respect of which the Issuer is liable, contingently or otherwise, including without limitation, any agreement to purchase, to provide funds for payment, to supply funds to or otherwise invest in such Person; and (iii) capitalized lease obligations of the Issuer.
“FMO”	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV
“GCQ”	General Community Quarantine
“GI”	Galvanized Iron
“Governmental Approvals”	Any authorization, consent, concession, grant, approval, right, franchise, privilege, registration, certificate, license, permit, or exemption from, by or with any Governmental Authority, whether given or withheld by express action or deemed given or withheld by failure to act within any specified time period.
“Governmental Authority”	Any government agency, authority, bureau, department, court, tribunal, legislative body, statutory or legal entity (whether autonomous or not), commission, corporation, or instrumentality, whether national or local, of the Republic of the Philippines.
“Group”	At any time, the Company and its Subsidiaries at such time
“GSIS”	Government Service Insurance System
“HDMF”	Home Development Mutual Fund Law of 2009
“HEI”	Higher Education Institution
“HLURB”	Housing and Land Use Regulatory Board
“HSAC”	Human Settlement Adjudication Commission
“HUDCC”	Housing and Urban Development Coordinating Council
“I-ACGR”	Integrated Annual Corporate Governance Report
“ICI Asia”	Integrative Competitive Intelligence Asia, Inc.
“IEE”	Initial Environmental Examination
“IIA”	Institute of Internal Auditors

“IMD”	International Institute of Management Development
“Interest Payment Date”	November 20 for the first Interest Payment Date, and February 20 and May 20 and August 20 of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the next Business Day if such date falls on a non-Business Day, during which any of the Bonds are outstanding.
“IPM”	PT Ind Phil Management (IPM), Indonesia
“IPO”	Initial Public Offering
“IRO”	Investor Relations Officer
“IRR”	Implementing Rules and Regulations
“Issue Date”	August 20, 2021 or such other date as the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners may agree in writing; provided, that such date shall be a date which is within the validity of the Permit to Sell Securities.
“Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners”	Collectively, China Bank Capital Corporation and SB Capital Investment Corporation
“IT”	Information Technology
“KPI”	Key Performance Indicators
“LGC”	Local Government Code of 1991
“LGU”	Local government unit
“LOMA”	Life Office Management Association
“LTS”	License to Sell
“Majority Bondholders”	Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the Bonds.
“Master Certificate of Indebtedness”	The bond certificate issued by the Issuer in the name of the Trustee for the benefit of the Bondholders covering the entire principal amount of the Bonds purchased during the Offer Period and to be issued by the Issuer on the Issue Date, which shall be substantially in the form attached as Annex B of the Trust Agreement.
“Material Adverse Effect”	In the reasonable opinion of the Majority Bondholders, acting in good faith, a material adverse effect on (a) the condition (financial or otherwise), results of operations, or business affairs of the Issuer or any of the Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business, (b) the Offer, (c) the ability of the Issuer to observe and comply with the provisions of and perform its obligations under the Bonds and the Bond Agreements, or (d) the validity or enforceability of the Bonds or any of the Bond Agreements.

“Maturity Date”	means the third (3 rd) anniversary of the Issue Date, <i>provided</i> , that if the Maturity Date falls on a day that is not a Business Day, then the payment of the principal shall be made by the Issuer on the next Business Day, without adjustment to the amount of interest and the principal to be paid.
“MECQ”	Modified Enhanced Community Quarantine
“MOA”	Mall of Asia
“MRB”	Medium rise building
“NCI”	Non-controlling interest
“NCR”	National Capital Region
“NCR Plus”	Metro Manila and nearby provinces of Bulacan, Cavite, Laguna and Rizal
“Negative List”	Eleventh Regular Foreign Investment Negative List
“NHIP”	National Health Insurance Program
“NIATF”	National Inter-Agency Task Force for the Management of Emerging Infectious Diseases
“NIRC”	National Internal Revenue Code of 1997, as amended and its implementing rules and regulations promulgated by the BIR.
“Offer”	The public offer for sale, distribution and issuance of the Bonds by the Issuer to eligible investors.
“Offer Period”	The period when the Bonds are publicly offered for sale, distribution, and issuance by the Issuer to eligible investors, commencing at 9:00 a.m., Philippine Standard Time, on August 10, 2021 and ending at 5:00 p.m., Philippine Standard Time, on August 16, 2021, or such other dates and time as the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners may agree in writing.
“OFW”	Overseas Filipino Workers
“Optional Redemption Date”	The second (2 nd) anniversary of the Issue Date provided that if the Optional Redemption Date falls on a day that is not a Business Day, then the payment of the Optional Redemption Price shall be made by the Issuer on the next Business Day, without adjustment to the amount of accrued interest and Optional Redemption Price to be paid.
“Optional Redemption Price”	100.5% of the Issue Price.
“Oversubscription Option”	Means the right of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, in consultation with the Issuer, to increase the offer size of up to

Two Billion Pesos (₱2,000,000,000) by up to an additional One Billion Pesos (₱1,000,000,000) worth of Bonds to cover oversubscriptions, if any.

“Oversubscription Option Bonds”	Up to One Billion Pesos (₱1,000,000,000) worth of Bonds that may be issued offered and sold upon exercise by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners of the Oversubscription Option, with the concurrence of the Issuer.
“OWWA”	Overseas Workers Welfare Administration
“PAASCU”	Philippine Accrediting Association of Schools, Colleges and Universities
“Paying Agent”	Shall refer to the PDTC, a corporation with a quasi-banking license duly organized and existing under and by virtue of the laws of the Philippines whose principal obligation is to handle payments of the principal of, interest on, and all other amounts payable on, the Bonds, to the Bondholders, pursuant to the Registry and Paying Agency Agreement. The term includes, wherever the context permits, all other Person or Persons for the time being acting as paying agent or paying agents under the Registry and Paying Agency Agreement.
“Payment Date”	As the context may require, each Interest Payment Date, the Maturity Date for the Bonds and/or the Redemption Date.
“Payment Default”	The Issuer defaults in the payment when due of any amount payable to the Bondholders under the Trust Agreement unless such failure arises solely as a result of an administrative or technical error or a Disruption Event and payment is made within three (3) Business Days after the date such payment is due.
“PBED”	Philippine Business for Education
“PCC”	Philippine Competition Commission
“PD”	Presidential Decree
“PDEX”	The Philippine Dealing & Exchange Corp.
“PDEX Rules”	The applicable rules, conventions, and guidelines of PDEX.
“PDEX Trading System”	Shall refer to the trading system of the PDEX in which the Bonds are planned to be listed
“PDTC”	The Philippine Depository & Trust Corp., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at the 29 th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City.
“Penalty Interest”	Penalty fee on the defaulted amount(s) at the rate of twelve percent (12%) per annum.
“Permit to Sell Securities”	The Certificate of Permit to Sell or Offer for Sale of Securities issued by the SEC in respect of the Offer.
“Permitted Liens”	(a) any Lien existing as of the date of the Trust Agreement;

- (b) Liens for taxes or assessments or governmental charges or levies not yet delinquent or which are being contested in good faith by appropriate proceedings;
- (c) Liens arising by operation of law (other than any preference or priority under Article 2244(14)(a) of the Civil Code of the Philippines as the same may be amended from time to time) on any property or asset of the Issuer or its Subsidiaries, including without limitation, amounts owing to a landlord, carrier, warehouseman, mechanic, or materialman;
- (d) Liens over or affecting any asset of any company which becomes a member of the Group after the date of the Bond Agreements, where the Lien is created prior to the date on which that company becomes a member of the Group;
- (e) Liens (not otherwise permitted in paragraph (b) to (d) above) securing Financial Indebtedness owed under any government lending program or incurred by the Subsidiaries, in each case, in the ordinary course of business (such as but not limited to loans for capital expenditures such as rehabilitation, repair, expansion of plants and facilities, distribution centers, warehouses, IT upgrades, and such other similar indebtedness incurred in a manner consistent with industry practice, but excluding working capital loans);
- (f) Liens created by or resulting from any litigation or legal proceeding which is effectively stayed while the underlying claims are being contested in good faith by appropriate proceedings and with respect to which the Issuer or its Subsidiary has established adequate reserves on its books in accordance with PAS/PFRS;
- (g) Liens securing indebtedness under hedging transactions (including foreign currency and interest rate swap and derivative transactions) entered into in the ordinary course of business and designed solely to protect the Issuer or its Subsidiaries from fluctuations in interest rates or currencies or commodities and not for speculation;
- (h) Liens created with the prior written consent of the Majority Bondholders; and
- (i) any extension, renewal, supplement, or replacement (or successive extensions, renewals, supplements, or replacements) in whole or in part of any Lien referred to in paragraphs (a) to (i) above, or any Financial Indebtedness secured thereby; provided that such extension, renewal, supplement, or replacement is limited to all or any part of the same property that secured the Lien extended, renewed, supplemented, or replaced (plus any construction, repair, or improvement on such property) and shall secure no larger amount of Financial Indebtedness than that existing at the time of such extension, renewal, supplement, or replacement.

For this purpose, “**Lien**” means, with respect to any property or asset, (a) any mortgage, lien, pledge, charge, security interest, encumbrance or other preferential arrangement of any kind in respect of such property or asset, including, without limitation, any preference or priority under Article 2244(14)(a) of the Civil Code of the Philippines, as the same may be amended from time to time, in each case, to the extent securing payment or performance of a debt prior

to any general creditor of such Person; and (b) the right of a vendor, lessor, or similar party under any conditional sales agreement, capital lease or other title retention agreement relating to such property or asset, and any other right of or arrangement with any creditor to have its claims satisfied out of any property or asset, or the proceeds therefrom, prior to any general creditor of the owner thereof.

“Person”	Any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organization.
“PEZA”	Philippine Economic Zone Authority
“PFRS”	Philippine Financial Reporting Standards which includes statements named PFRS and Philippine Accounting Standards (“PAS”), and Philippine Interpretations from International Financial Reporting Interpretations Committee (“IFRIC”), issued by the Financial Reporting Standards Council (“FRSC”) or, at any time, generally accepted accounting principles in the Philippines in conformity with international accounting standards in effect at such time.
“PHEN”	PHINMA Energy Corporation
“Philcement”	Philcement Corporation
“Philippine Peso” or “Peso” or “₱”	The lawful currency of the Philippines
“Philippines”	The Republic of the Philippines
“PhilRatings”	Philippine Rating Services Corporation
“PHINMA”	PHINMA Corporation
“PHINMA Education”	PHINMA Education Holdings, Inc.
“PHINMA Education Schools”	Shall refer to Pamantasan ng Araullo (Araullo University), Inc.; Cagayan de Oro College, University of Iloilo, University of Pangasinan, Inc., PHINMA Upang College Urdaneta, Inc., Southwestern University, Inc., St. Jude College, Inc., The Republican College, Inc., Rizal College of Laguna, Inc., and Union College of Laguna, Inc. collectively.
“PHINMA, Inc.”	PHINMA’s ultimate parent company is Philippine Investment-Management (PHINMA), Inc.
“PHINMA Hospitality”	PHINMA Hospitality, Inc.
“PHINMA Saytanar”	PHINMA Saytanar Education Company Limited, Myanmar
“PHINMA Solar”	PHINMA Solar Energy Corporation

“PPG”	PHINMA Petroleum Geothermal, Inc.
“PPHC”	PHINMA Property Holdings Corporation
“Prospectus”	Collectively and as relevant, the Preliminary Prospectus dated May 6, 2021 and the Prospectus dated August 5, 2021, prepared and issued by the Issuer in connection with the Offer, and all amendments, supplements, and addenda thereto.
“PRS”	Philippine Rating Services Corporation (“PhilRatings”)
“PSE”	Philippine Stock Exchange, Inc.
“PSHC”	P&S Holdings Corporation
“PU”	Polyurethane
“PUCUI”	PHINMA Upang Urdaneta College, Inc.
“RAD Learning”	Remote and Distance Learning
“RCBC”	Rizal Commercial and Banking Corporation
“RCI”	The Republican College, Inc.
“RCL”	Rizal College of Laguna, Inc.
“RDO”	BIR Revenue District Office
“Record Date”	As used with respect to any Payment Date, (a) two (2) Business Days immediately preceding the relevant Payment Date, which shall be the cut-off date in determining the Bondholders entitled to receive interest, principal, or any amount due under the Bonds or (b) such other date as the Issuer may duly notify the PDTC.
“Redemption Date”	The date when the Bonds are redeemed earlier than the Maturity Date in accordance with the Terms and Conditions; <i>provided</i> that if the Redemption Date falls on a day that is not a Business Day, then the payment of the principal and accrued interest (if any) shall be made by the Issuer on the next Business Day, without adjustment to the amount of principal and interest to be paid. For the avoidance of doubt, the term “Redemption Date” includes Optional Redemption Date.
“Registrar”	The PDTC, being the registrar appointed by the Issuer to maintain the Registry Book pursuant to the Registry and Paying Agency Agreement.
“Registration Statement”	The registration statement and other supporting documents filed by the Issuer with the SEC in connection with the offer and sale to the public of the Bonds and rendered effective by the SEC.

“Register of Bondholders”	The electronic registry book of the Registrar containing the official information on the names and addresses of the Bondholders and the amount of the Bonds they respectively hold, including all transfers and assignments thereof or any liens or encumbrances thereon, to be maintained by the Registrar pursuant to and under the terms of the Registry and Paying Agency Agreement.
“Registry and Paying Agency Agreement”	The Registry and Paying Agency Agreement dated August 5, 2021, and its annexes and attachments, as may be modified, supplemented, or amended from time to time, and entered into between the Company and the Registrar and Paying Agent in relation to the Bonds.
“Registry Book”	Shall mean the electronic record of the issuances, sales and transfers of the Bonds to be maintained by the Registrar pursuant to and under the terms of the Registry and Paying Agency Agreement.
“Relevant Period”	A period of twelve (12) calendar months ending on the last day of any quarter of any of the Issuer’s fiscal years.
“Revised Corporation Code”	Revised Corporation Code of the Philippines or Republic Act No. 11232
“RTGS”	The Philippine payment settlement system via Time Gross Settlement
“SB Capital”	SB Capital Investment Corporation
“SEC”	The Securities and Exchange Commission of the Philippines
“Security”	Any mortgage, pledge, lien or encumbrance constituted on any of the Issuer’s properties, for the purpose of securing its or its Affiliates’ obligation
“Security Interest”	A mortgage, charge, pledge, lien, assignment by way of security hypothecation, trust receipt encumbrance in respect to assets or property or any other agreement or arrangement having a similar effect to the agreements or arrangements enumerated herein.
“SGV & Co.”	SyCip Gorres Velayo & Co.
“SHS”	Senior High School
“SJC”	St Jude College, Inc.
“SLTEC”	South Luzon Thermal Energy Corporation
“SRC”	The Philippines’ Securities Regulation Code, Republic Act No. 8799 (2000)
“SSS”	Social Security System
“STIKES”	Sekolah Tinggi Ilmu Kesehatan
“STMIK”	Sekolah Tinggi Manajemen Informatika & Komputer

“Subsidiary”	Means an entity of which a Person has direct or indirect Control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership.
“SUC”	State Universities and Colleges
“SWU”	Southwestern University, Inc.
“SY”	School Year
“Taxes”	Any present or future taxes, levies, imposts, duties, filing, registration and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof.
“Tax Code”	Republic Act No. 8424, otherwise known as the National Internal Revenue Code of 1997, as amended from time to time.
“Terms and Conditions”	Terms and Conditions pursuant to which the Issuer issues, and the Bondholders subscribe for, the Bonds.
“Total Equity”	Equity attributable to equity holders of the Company and minority interest.
“TESDA”	Technical Education and Skills Development Authority
“TRAIN”	Tax Reform for Acceleration and Inclusion or Republic Act No. 10963, Package 1 under the CTRP
“Trust Agreement”	The agreement executed by and between the Issuer and the Trustee dated on or about August 5, 2021 in connection with the distribution and sale by the Issuer of the Bonds.
“Trustee”	The Rizal Commercial Banking Corporation – Trust and Investments Group. The term includes, wherever the context permits, all other Person or Persons for the time being acting as trustee or trustees under the Trust Agreement.
“UGC”	Union Galvasteel Corporation
“UI”	University of Iloilo
“Underwriting Agreement”	the Underwriting Agreement dated August 5, 2021, and its annexes and attachments, as may be modified, supplemented, or amended from time to time, and entered into between and among the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in relation to the Bonds.
“Union College”	Union College of Laguna, Inc.
“UP”	University of the Philippines
“Upang”	University of Pangasinan, Inc.
“UPERDF”	U.P. Engineering Research and Development Foundation, Inc.

“UPPC”	United Pulp and Paper Company
“USA”	United States of America
“VAT”	Value-Added Tax
“VFA”	Visiting Forces Agreement
“VP”	Vice President
“WHO”	World Health Organization

IV. SUMMARY OF THE OFFER

The following summary should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Prospectus, including, but not limited to, the discussion on the “Description of the Bonds” and “Plan of Distribution”. Prospective Bondholders must make their own appraisal of the Issuer and the Offer, and must make their own independent verification of the information contained herein and the other aforementioned documents and any other investigation they may deem appropriate for the purpose of determining whether to participate in the Offer. They must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not substitutes for the prospective investor’s independent evaluation and analysis. Prospective Bondholders are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the Bonds.

<i>Issuer</i>	: PHINMA Corporation (“ PHINMA ” or the “ Company ”), a company incorporated under the laws of the Philippines
<i>Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners</i>	: China Bank Capital Corporation and SB Capital Investment Corporation
<i>Trustee</i>	: Rizal Commercial Banking Corporation – Trust and Investments Group, the entity appointed by the Issuer which shall act as the legal title holder of the Bonds and shall monitor compliance and observance of all covenants of and performance by the Issuer of its obligations under the Bonds and enforce all possible remedies pursuant to such mandate.
<i>Registrar and Paying Agent</i>	: Philippine Depository & Trust Corp.
<i>Counsel to the Issuer</i>	: Migallos & Luna Law Offices
<i>Counsel to the Joint Lead Underwriters</i>	: SyCip Salazar Hernandez & Gatmaitan
<i>Issue</i>	: SEC-registered Peso-denominated fixed rate bonds constituting the direct, unconditional, unsecured and general obligations of the Issuer
<i>Manner of Offering</i>	: Public offering in the Philippines
<i>Issue Amount</i>	: Base Offer of up to ₱2,000,000,000 with an Oversubscription Option of up to ₱1,000,000,000
<i>Oversubscription Option</i>	: The Joint Issue Manager, Joint Lead Underwriters and Joint Bookrunners shall have the option, in consultation with the Issuer, to increase the Issue Amount by up to ₱1,000,000,000.00 in the event of an oversubscription.
<i>Use of Proceeds</i>	: Net proceeds will be used for (i) refinancing of short-term debt obligations, (ii) investments in strategic business units, and/or (iii) general corporate purposes. For a detailed discussion on the Use of Proceeds please refer to the section on <i>Use of Proceeds</i> .
<i>Issue Price</i>	: The Bonds shall be issued at 100% of face value.

- Form and Denomination of the Bonds* : The Bonds shall be issued in scripless form and in denominations of ₱50,000 each, as a minimum, and in integral multiples of ₱10,000 thereafter, and traded in denominations of ₱10,000.00 in the secondary market.
- Offer Period* : The Offer shall commence at 9:00 a.m. on August 10, 2021 and end at 5:00 p.m. (Philippine Standard Time) on August 16, 2021, or on such other dates as the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners may agree upon.
- Issue Date* : The Bonds are expected to be issued on August 20, 2021 or such other date as may be agreed upon by the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, with advice to SEC, PDTC and PDEx. In the event that the original Issue Date is moved to the succeeding Business Day, the interest accruing for the first Interest Period shall accrue from (and including) such adjusted Issue Date, without adjustment to the Interest Payment Date.
- Maturity Dates* : Three (3) years from the Issue Date, provided that, in the event that such Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.
- Interest Rates* : Fixed interest rate of 3.5335% per annum;
The final Interest Rates shall be rounded off to four (4) decimal places.
- Interest Payment* : Interest on the Bonds shall be calculated on a 30/360-day count basis and shall be paid quarterly in arrears.
- Interest Payment Dates and Interest Payment Computation* : Interest payment on the Bonds shall commence on November 20 for the first Interest Payment Date, and February 20, May 20 and August 20 of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the next Business Day if any such dates fall on a non-Business Day, during which any of the Bonds are outstanding (each, an "Interest Payment Date"), without any adjustment to the amount of interest to be paid.
- Optional Redemption* : The Issuer shall have the right, but not the obligation, to redeem in whole (but not in part), outstanding Bonds on the Optional Redemption Date as set out below:

Optional Redemption Date	Optional Redemption Price
On the 2 nd year from Issue Date	100.5%

provided, that if the Optional Redemption Date falls on a day that is not a Business Day, then the payment of the optional redemption price shall be made by the Issuer on the next Business Day, without adjustment to the amount of interest and optional redemption price to be paid.

The amount payable to the Bondholders in respect of the exercise of the Optional Redemption Option by the Issuer shall be calculated based on the principal amount of the Bonds being redeemed, as the sum of the: (i) accrued interest computed from the last Interest Payment Date up to the Optional Redemption Date, and (ii) the product of the principal amount of

the Bonds being redeemed and the applicable Optional Redemption Price as set forth in the table above.

The Issuer shall give no more than sixty (60) nor less than thirty (30) days prior written notice to the Trustee, Registrar and Paying Agent of its intention to redeem the Bonds, on the Optional Redemption Date stated in such notice.

Redemption for Taxation Reasons : If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part only, on any Interest Payment Date at 100% of face value and paid together with the accrued interest thereon, provided that the Issuer has given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee, and subject to the requirements of Applicable Law. If the Issuer does not redeem the Bonds, then all payments of principal and interest in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any such new or additional taxes, duties, assessments or governmental charges, unless such withholding or deduction is required by Applicable Law. In that event, the Issuer shall pay to the Bondholders concerned such additional amount as will result in the receipt by such Bondholders of such amounts as would have been received by them had no such withholding or deduction for new or additional taxes been required.

For the avoidance of doubt, the Issuer shall not, in any case, be liable for Excluded Taxes. Please see "*Payment of Additional Amounts – Taxation*" for the enumeration of Excluded Taxes.

Mandatory Redemption by Reason of Change in Law of Circumstances : If any one or more of the following events shall occur, in the reasonable opinion of the Bondholders holding at least two-thirds (2/3) of the outstanding amount of the Bonds for the events contemplated in (a), (b) or (c) below or the Majority Bondholders for the events contemplated in (d) below (and with written notice to the Trustee), and be continuing for a period of fifteen (15) Business Days with respect to the events contemplated in (a) or (c) below:

(a) Any law, government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Agreement or the Bonds which shall be modified in a manner which, in the reasonable opinion of the Trustee, while not constituting an Event of Default, will materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld;

(b) Any provision of the Trust Agreement, the Bond Agreements or any of the related documents is or becomes invalid, illegal or unenforceable by reason of: (i) any final judgment or order by a court of competent authority; or (ii) notwithstanding any pending action before a court of competent authority: (x) any final and effective act of any Governmental Authority, or (y) any final and effective law,

rule, or regulation to the extent that it becomes for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Agreement, the Bond Agreements or any of the related documents in whole or in part, or any law is introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Agreement, the Bond Agreements or any other related documents;

- (c) Any concessions, permits, rights, franchise or privileges required for the conduct of the business and operations of the Issuer shall be revoked, cancelled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, by reason of: (i) any final judgment or order by a court of competent authority; or (ii) notwithstanding any pending action before a court of competent authority: (x) any final and effective act of any Governmental Authority, or (y) any final and effective law, rule, or regulation, in such a manner as to materially and adversely affect the financial condition or operations of the Issuer; and
- (d) Any Governmental Authority or any competent authority condemns, seizes, or expropriates all or substantially all of the assets or properties of the Issuer, unless such act is contested in good faith by the Issuer or unless such act is suspended or restrained by an order of a court of competent jurisdiction;

then, the Trustee, by notice in writing delivered to the Issuer may declare the principal of the Bonds, in whole, and not in part only, on any, including all accrued interest and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable without any prepayment penalty that is imposed under an optional redemption, anything in the Trust Agreement or in the Bonds contained to the contrary notwithstanding, subject to the notice requirements under the Trust Agreement, provided that, such notice shall not be deemed either caused by a default under the Trust Agreement, or a notice of default under the Trust Agreement.

Redemption by Reason of Change of Control : Upon the occurrence of a Change of Control, Bondholders holding at least two-thirds (2/3) of the outstanding principal amount of the Bonds may require the Issuer to redeem all (but not some) of the Bonds at 100% of face value, which shall be paid together with the accrued interest thereon. Within fifteen (15) days following a Change of Control, the Issuer shall notify the Trustee, which shall, in turn, notify the Bondholders (i) that a Change of Control has occurred and that the Bondholders holding at least two-thirds (2/3) of the outstanding principal amount of the Bonds may require the Issuer to repurchase the Bonds in whole, and not in part only; and (ii) the date set by the Issuer for such repurchase (which shall not be earlier than forty-five (45) days and no later than sixty (60) days from the date written notice is received by the Trustee). The decision of the Bondholders holding

at least two-thirds (2/3) of the outstanding principal amount of the Bonds shall be conclusive and binding upon all the Bondholders.

Each Bondholder in whose name the Bonds are registered in the Registry of Bondholders at the close of business on the Record Date indicated in the notice to the Bondholders shall be entitled to receive the principal of the Bonds and the interest accrued thereon. The Issuer shall pay the Bondholders in accordance with the terms of the Registry and Paying Agency Agreement.

Accrued interest on the Bonds to be redeemed under this section for the last Interest Payment Date up to the relevant redemption date shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

Final Redemption : Except when the Optional Redemption Option is exercised, the Bonds shall be redeemed at 100% of face value (the “**Final Redemption Amount**”) on the Maturity Date.

In the event the Maturity Date is not a Business Day, payment of all amounts due on such date will be made by the Issuer through the Paying Agent, without adjustment for accrued interest and Final Redemption Amount, on the succeeding Business Day.

Status of the Bonds : The Bonds shall constitute the direct, unconditional, unsubordinated and unsecured obligations of PHINMA and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsubordinated and unsecured debt of PHINMA, contingent or otherwise, other than indebtedness mandatorily preferred by operation of law and not by contract, and preferred claims under any bankruptcy, insolvency, reorganization, moratorium, liquidation or other similar laws affecting the enforcement of creditors’ rights generally and by general principles of equity (but not the preference or priority established by Article 2244(14)(a) of the Civil Code of the Philippines), but in the event of insolvency, such financial obligations shall be absolute and unconditional only to the extent permitted by Applicable Law relating to creditors’ rights generally.

Negative Pledge : The Issuer will not, and shall procure that none of its Subsidiaries shall, without the consent of the Majority Bondholders, (a) create, assume, incur or suffer to exist any Lien upon any of their respective properties or assets (including any uncalled capital), present or future business undertaking, or revenues; and (b) sell, transfer or otherwise dispose of any of their respective assets on terms whereby they are or may be leased to or re-acquired by the Issuer or any member of the Group, in each case, where the arrangement or transaction is entered into primarily as method of raising Financial Indebtedness or of financing acquisitions of an asset, provided that the foregoing restrictions shall not apply to any Permitted Liens.

Listing : The Issuer intends to list the Bonds on the Philippine Dealing & Exchange Corp. (“**PDEX**”) on the Issue Date.

Purchase and Cancellation : The Issuer may at any time purchase any of the Bonds in the open market or by tender or by contract at market price, without any obligation to purchase (and the bondholders shall not be obliged to sell) Bonds pro-rata

from all bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

Taxation

: Interest income on the Bonds is subject to a withholding tax at rates of between 10% and 25% depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following (“**Excluded Taxes**”):

(a) The withholding tax applicable on interest earned on the Bonds prescribed under the Tax Code, as amended, and its implementing rules and regulations as may be in effect from time to time; provided, further, that all Bondholders are required to provide the Issuer through the Bondholders’ Selling Agent or PDEX Trading Participant and endorsed to the Registrar and Paying Agent their validly issued tax identification numbers issued by the BIR;

(b) Gross Receipts Tax under Section 121 of the Tax Code;

(c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding;

(d) Value-Added Tax under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337; and

(e) Any applicable taxes on any subsequent sale or transfer of the Bonds by any holder which shall be for the account of such holder (or its buyer, as the holder and the buyer may have agreed upon).

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

Please see the sections on “*Description of the Bonds - Taxation*” in this Prospectus for a more detailed discussion on the tax consequences of the acquisition, ownership and disposition (e.g., secondary transfer) of the Bonds.

Rating

: The Bonds have been rated PRS Aa by Philratings on May 7, 2021.

The rating is subject to regular annual reviews, or more frequently as market developments may dictate, while the Bonds are outstanding.

Transfer of the Bonds

: Trading of the Bonds will be coursed through PDEX Trading Participant subject to the applicable PDEX rules and conventions. Trading, transfer and/or settlement of the Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and the Registrar. Upon

any assignment of the Bonds, title thereto will pass by recording of the transfer from the transferor to the transferee in the Registry of Bondholders to be maintained by the Registrar.

For a detailed discussion on Transfer of the Bonds please refer to the section on “*Description of the Bonds – Transfer of the Bonds*”.

Governing Law : Republic of the Philippines.

Indicative Timetable :

Interest Rate Setting Date	August 5, 2021
Receipt of SEC Permit to Sell	August 9/10, 2021
Public Offer Period	August 10 to August 16, 2021
Settlement Date, Issue and Listing Date	August 20, 2021

V. DESCRIPTION OF THE BONDS

The following does not purport to be a complete listing of all the rights, obligations, or privileges of the Bonds. 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 of the Company submitted to the SEC, the information contained in this Prospectus, the Trust Agreement, Registry and Paying Agency Agreement, Issue Management and Underwriting Agreement, and other Bond Agreements and documents relevant to the Offer, and to perform their own independent investigation and analysis of the Issuer and the Bonds. Prospective Bondholders must make their own appraisal of the Issuer and the Offer, and must make their own independent verification of the information contained herein and the other aforementioned documents and any other investigation they may deem appropriate for the purpose of determining whether to participate in the Offer. They must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not substitutes for the prospective investor's independent evaluation and analysis. Prospective Bondholders are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the Bonds. Specific references to times hereunder shall mean Philippine Standard Time.

1. GENERAL

The offer and issuance of the Bonds in an aggregate principal amount of up to ₱2,000,000,000.00 with an oversubscription option of up to ₱1,000,000,000.00, for public distribution and sale in the Philippines was authorized by a resolution of the Board of Directors of the Issuer dated March 2, 2021. The Bonds have a term of three (3) years, with a fixed interest rate of 3.5335% per annum. The Bonds will be issued by the Company pursuant to the Terms and Conditions of the Bonds on the Issue Date.

The Bonds shall be governed by a Trust Agreement dated August 5, 2021 between the Issuer and Rizal Commercial Banking Corporation - Trust and Investments Group as Trustee, which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Agreement. The Trustee has no interest in or relation to the Issuer which may conflict with the performance of its functions. The description of the terms and conditions of the Bonds set out below includes summaries of, and is subject to, the detailed provisions of the Trust Agreement.

A Registry and Paying Agency Agreement in relation to the Bonds was executed on August 5, 2021 between the Issuer and PDTC as Registrar and Paying Agent. PDTC has no interest in or relation to the Issuer which may conflict with the performance of its functions.

Copies of the Trust Agreement and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the principal office of the Trustee. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Trust Agreement and all the provisions of the Registry and Paying Agency Agreement applicable to them.

2. FORM, DENOMINATION, AND TITLE

Form and Denomination

The Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee for the benefit of the Bondholders.

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

Title

Legal title to the Bonds will be shown in the Register of Bondholders maintained by the Registrar and Paying Agent. A notice confirming the principal amount of the Bonds purchased by each Applicant in the Offer shall be

issued by the Registrar and Paying Agent to all Bondholders following the Issue Date. Upon any assignment, title to the Bonds shall pass by recording the transfer from the transferor to the transferee in the Register of Bondholders maintained by the Registrar and Paying Agent. Settlement in respect of such transfer or change of title to the Bonds, including the settlement of any cost arising from such transfer or change, including, but not limited to, income tax and documentary stamp tax, if any, shall be for the account of the relevant Bondholder or the transferee, as applicable.

3. BOND RATING

The Bonds have been rated PRS Aa by PhilRatings as of May 7, 2021. Obligations rated PRS Aa are of high quality and are subject to very low credit risk. The obligor's capacity to meet its financial commitment on the obligation is very strong. The rating is not a recommendation to buy, sell, or hold securities, and is subject to an annual review, which may result in the revision, suspension, or withdrawal of the rating by the concerned, rating agency.

In coming up with the rating, PhilRatings considered the Issuer's business portfolio, business plans, growth prospectus and cash flows. The ratings reflect the following factors:

- The Company's continuously growing profitability with strong margins and its ability to generate cash flows from operations; and
- The favorable industry outlook, backed by resilient and growing demand.

The rating is subject to regular annual review, or more frequently as market developments may dictate, for as long as the Bonds are outstanding. After Issue Date, the Trustee shall monitor the compliance of the Bonds with the regular annual reviews.

4. TRANSFER OF THE BONDS

Register of Bondholders

The Issuer shall cause the Register of Bondholders to be kept by the Registrar in electronic form. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers and assignments of Bonds, including any liens and encumbrances thereon, shall be entered into the Register of Bondholders. Transfers of ownership shall be effected through book-entry transfers in the scripless Register of Bondholders.

As required by Circular No. 428-04 issued by the BSP, the Registrar shall send each Bondholder a written statement of registry holdings at least every quarter (at the cost of the Issuer), and a written advice confirming every receipt or transfer of the Bonds that is effected in the Registrar's system. Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Save in the case of manifest error or fraud, the foregoing written statement of registry holdings shall be final and binding on the Bondholder. The Bondholder shall examine such statement and promptly (and in no case more than thirty (30) days from receipt thereof) notify the Registrar in writing of any error and they shall together resolve to correct such error promptly (and in no case more than five (5) Business Days from receipt of the notice by the Registrar), failing which such transaction advice, statement or report shall be conclusive against the Bondholder. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfer of the Bonds may be made during the Closed Period (as defined below).

Transfers: Tax Status

Trading of the Bonds will be coursed through PDEX Trading Participant subject to the applicable PDEX rules and conventions. Trading, transfer and/or settlement of the Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and the Registrar and Paying Agent. Upon any assignment of the Bonds, title thereto will pass by recording of the transfer from the transferor to the transferee in the Register of Bondholders to be maintained by the Registrar.

Settlement in respect of such transfers or change of title to the Bonds, including the settlement of any documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder or the transferee, as applicable.

Subject to the provisions of the Registry and Paying Agency Agreement, the relevant rules, conventions and guidelines of PDEX and PDTC, the Bondholders may not transfer their Bonds as follows:

- a) transfers across Tax Categories on a date other than on Interest Payment Dates that fall on a Business Day; provided, however, that transfers from a tax-exempt Tax Category to a taxable Tax Category on a date other than an Interest Payment Date shall be allowed using the applicable tax rate on PDEX, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt person shall be treated as being of the same Tax Category as its taxable counterparty for the interest period within which such transfer occurred; provided, finally, that this restriction shall be in force until a Non-Restricted Trading & Settlement Environment for Corporate Securities is implemented. For purposes hereof, "Tax Categories" shall refer to the four (4) final withholding tax categories in the PDEX system covering, particularly, tax-exempt persons, 20% tax-withheld persons, 25% tax-withheld persons (aliens), and 25% tax-withheld persons (corporations), as such categories may be revised, amended or supplemented by PDEX in accordance with its rules and Applicable Law;
- b) transfers by Bondholders with deficient documents; and
- c) transfers during a Closed Period. For purposes hereof, "**Closed Period**" means period during which the Registrar and Paying Agent shall not register any transfer or assignment of the Bonds, specifically: (i) the period of two (2) Business Days preceding any Interest Payment Date or the due date for any payment of the Final Redemption Amount of the Bonds; or (ii) the period when any of the Bonds have been previously called for redemption.

Transfers taking place in the Register of Bondholders after the Bonds are listed on PDEX may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if/and or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC.

A Bondholder claiming tax-exempt status is required to submit to the Register of Bondholders the required tax-exempt documents as detailed in the Registry and Paying Agency Agreement upon submission of the account opening documents to the Registrar and Paying Agent. Please see the sections on "*Description of the Bonds – Tax-Exempt Status or Entitlement to Preferential Tax Rate*" for a detailed discussion on the requirements for claiming a preferential tax status.

Notwithstanding the submission by the Bondholder, or the receipt by the Issuer, the Registrar and Paying Agent, or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners of documentary proof of tax-exempt status of a Bondholder, the Issuer may, in its sole and reasonable discretion, determine that such Bondholder is taxable and require the Registrar and Paying Agent to proceed to apply the tax due on the Bonds. Any question on such determination shall be referred to the Issuer.

The Bondholders shall be responsible for monitoring and accurately reflecting their tax status in the Register of Bondholders. The payment report to be prepared by the Registrar and Paying Agent and submitted to the Issuer in accordance with the Registry and Paying Agency Agreement, which shall be the basis of payments on the Bonds on any Interest Payment Date, shall reflect the tax status of the Bondholders as indicated in their accounts as of the Record Date.

Registrar

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

Philippine Depository & Trust Corp.
29th Floor, BDO Equitable Tower, Paseo de Roxas
Makati City

Telephone No: +632 8884-4425
Fax No: +632 8230-3346
E-mail: baby_delacruz@pds.com.ph
Attention: Josephine Dela Cruz, Director

Secondary Trading of the Bonds

The Issuer intends to list the Bonds on PDEX for secondary market trading and, for that purpose, the Issuer has filed an application for such listing. However, there can be no assurance that such a listing will actually be achieved or whether such a listing will materially affect the liquidity of the Bonds on the secondary market. Such listing would be subject to the Issuer's execution of a listing agreement with PDEX that may require the Issuer to make certain disclosures, undertakings and payments on an ongoing basis.

The Bonds will be traded in denominations of ₱10,000.00 in the secondary market. Secondary market trading in PDEX shall follow the applicable PDEX Rules, including rules, conventions and guidelines governing trading and settlement between Bondholders of different tax status, and shall be subject to the relevant fees of PDEX and PDTTC, all of which shall be for the account of the Bondholders.

5. RANKING

The Bonds shall constitute the direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsubordinated and unsecured indebtedness of the Issuer, contingent or otherwise, other than indebtedness mandatorily preferred by operation of law and not by contract, and preferred claims under any bankruptcy, insolvency, reorganization, moratorium, liquidation or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (but not the preference or priority established by Article 2244(14)(a) of the Civil Code of the Philippines), but in the event of insolvency, such financial obligations shall be absolute and unconditional only to the extent permitted by Applicable Law relating to creditors' rights generally.

6. INTEREST

Interest and Interest Payment Dates

The Bonds bear interest on its principal amount from and including the Issue Date and up to and including the Maturity Date at the rate of 3.5335% p.a., payable quarterly in arrears, commencing on November 20, for the first Interest Payment Date and February 20, May 20, and August 20 of each year or the subsequent Business Day without adjustment to the amount of interest to be paid, if such Interest Payment Date is not a Business Day.

For purposes of clarity, the last Interest Payment Date on the Bonds shall fall on the Maturity Date or August 20, 2024 or three (3) years from the Issue Date.

The cut-off date in determining the existing Bondholders entitled to receive interest, principal or any other amount due under the Bonds shall be two (2) Business Days prior to the relevant Payment Date or such other date as the Issuer may duly notify PDTTC (the "**Record Date**"). The Record Date shall be the reckoning date in determining the Bondholders entitled to receive interest, principal or any other amount due under the Bonds. No transfers of the Bonds may be made during the Closed Period.

Interest Accrual

The Bonds shall cease to bear interest from and including the Maturity Date, as defined in the discussion on “*Description of the Bonds – Final Redemption*” below, unless, upon due presentation, payment of the principal in respect of the Bonds then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see “*Penalty Interest*” below) shall apply.

Determination of Interest

Interest on the Bonds shall be calculated on a 30/360 day count basis, regardless of the actual number of days in a month.

7. REDEMPTION AND PURCHASE

Final Redemption

Unless otherwise earlier redeemed or purchased and cancelled, each of the Bonds shall be redeemed at 100% of face value on Maturity Date. However, if the Maturity Date is not a Business Day, payment of all amounts due on such date will be made by the Issuer through the Paying Agent, without adjustment for accrued interest, on the succeeding Business Day.

Each Bondholder in whose name the Bonds are registered in the Register of Bondholders at the close of business on the Record Date preceding the Maturity Date shall be entitled to receive the principal amount of the Bonds. In all cases, repayment of principal shall be remitted to the Bondholders in accordance with the terms of the Registry and Paying Agency Agreement.

Optional Redemption

The Issuer shall have the right, but not the obligation, to redeem in whole (but not in part), any outstanding Bonds on the Optional Redemption Date as set out below:

Optional Redemption Date	Optional Redemption Price
On the 2 nd year from Issue Date	100.5%

provided, that if the Optional Redemption Date falls on a day that is not a Business Day, then the payment of the optional redemption price shall be made by the Issuer on the next Business Day, without adjustment to the amount of interest and optional redemption price to be paid. For the avoidance of doubt, the Bondholders shall not have any right to cause the Issuer to redeem the Bonds pursuant to this Optional Redemption Option.

The amount payable to the Bondholders upon the exercise of the Optional Redemption Option by the Issuer shall be calculated, based on the principal amount of the Bonds being redeemed, as the sum of: (i) accrued interest computed from the last Interest Payment Date up to the Optional Redemption Date; and (ii) the product of the principal amount of the Bonds being redeemed and the Optional Redemption Price in accordance with the above table.

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

Redemption for Taxation Reasons

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

Upon receipt by the Trustee of a written notice from the Issuer hereunder, the Trustee through the Issuer shall secure from the Registrar an updated list of Bondholders as of the Record Date indicated in the notice from the Issuer and provide written notices to all registered Bondholders of the intended early redemption. Each Bondholder in whose name the Bonds subject of the early redemption are registered in the Register of Bondholders at the close of business on the relevant Record Date shall be entitled to receive the principal of the Bonds subject of the early redemption and the interest accrued thereon. The Issuer shall pay the Bondholders in accordance with the terms of the Registry and Paying Agency Agreement.

For the avoidance of doubt, the Issuer shall not, in any case, be liable for Excluded Taxes. Please see ***"Payment of Additional Amounts – Taxation"*** for the enumeration of Excluded Taxes.

Mandatory Redemption by Reason of Change in Law or Circumstance

If any one or more of the following events shall occur, in the reasonable opinion of the Bondholders holding at least two-thirds (2/3) of the outstanding amount of the Bonds for the events contemplated in (a), (b) or (c) below or the Majority Bondholders for the events contemplated in (d) below (and with written notice to the Trustee), and be continuing for a period of fifteen (15) Business Days with respect to the events contemplated in (a) or (c) below:

- (a) Any law, government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Agreement or the Bonds which shall be modified in a manner which, in the reasonable opinion of the Trustee, while not constituting an Event of Default, will materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld;
- (b) Any provision of the Trust Agreement, the Bond Agreements or any of the related documents is or becomes invalid, illegal or unenforceable by reason of: (i) any final judgment or order by a court of competent authority; or (ii) notwithstanding any pending action before a court of competent authority: (x) any final and effective act of any Governmental Authority, or (y) any final and effective law, rule, or regulation to the extent that it becomes for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Agreement, the Bond Agreements or any of the related documents in whole or in part, or any law is introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Agreement, the Bond Agreements or any other related documents;
- (c) Any concessions, permits, rights, franchise or privileges required for the conduct of the business and operations of the Issuer shall be revoked, cancelled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, by reason of: (i) any final judgment or order by a court of competent authority; or (ii) notwithstanding any pending action before a court of competent authority: (x) any final and effective act of any Governmental

Authority, or (y) any final and effective law, rule, or regulation, in such a manner as to materially and adversely affect the financial condition or operations of the Issuer; and

- (d) Any Governmental Authority or any competent authority condemns, seizes, or expropriates all or substantially all of the assets or properties of the Issuer, unless such act is contested in good faith by the Issuer or unless such act is suspended or restrained by an order of a court of competent jurisdiction;

then, the Trustee, by notice in writing delivered to the Issuer may declare the principal of the Bond in whole, and not in part only, including all accrued interest and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable without any prepayment penalty that is imposed under an optional redemption, anything in the Trust Agreement or in the Bonds contained to the contrary notwithstanding, subject to the notice requirements under Section 10.1 of the Trust Agreement, provided that, such notice shall not be deemed either caused by a default under Section 9.1 of the Trust Agreement, or a notice of default under Section 10.1 of the Trust Agreement.

Redemption by Reason of Change of Control

Upon the occurrence of a Change of Control, Bondholders holding at least two-thirds (2/3) of the outstanding principal amount of the Bonds may require the Issuer to redeem all (but not some) of the Bond at 100% of face value, which shall be paid together with the accrued interest thereon. Within fifteen (15) days following a Change of Control, the Issuer shall notify the Trustee, which shall, in turn, notify the Bondholders (i) that a Change of Control has occurred and that the Bondholders holding at least two-thirds (2/3) of the outstanding principal amount of the Bonds may require the Issuer to repurchase all the Bonds in whole, and not in part only; and (ii) the date set by the Issuer for such repurchase (which shall not be earlier than forty-five (45) days and no later than sixty (60) days from the date written notice is received by the Trustee). The decision of the Bondholders holding at least two-thirds (2/3) of the outstanding principal amount of the Bonds under this section shall be conclusive and binding upon all the Bondholders.

Each Bondholder in whose name the Bonds are registered in the Register of Bondholders at the close of business on the Record Date indicated in the notice to the Bondholders shall be entitled to receive the principal of the Bonds and the interest accrued thereon. The Issuer shall pay the Bondholders in accordance with the terms of the Registry and Paying Agency Agreement.

Accrued interest on the Bonds to be redeemed under this section for the last Interest Payment Date up to the relevant redemption date shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

Purchase and Cancellation

The Issuer may purchase the Bonds at any time in the open market or by tender or by contract, in accordance with PDEX Rules, as may be amended from time to time, without any obligation to make pro rata purchases from all the Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the Bonds in the PDEX, the Issuer shall disclose any such transaction in accordance with the applicable PDEX disclosure rules.

Payments

The principal of, interests on, and all other amounts payable on the Bonds shall be paid to the Bondholders through the Paying Agent. The Paying Agent shall credit the proper amounts received from the Issuer via the Philippine payment settlement system via Real Time Gross Settlement (“RTGS”), net of final taxes and fees (if any), to the cash settlement banks of the Bondholders (nominated by the Bondholders in the Application to Purchase or as the Bondholder may notify the Paying Agent in writing), for onward remittance to the relevant cash settlement account of the Bondholder with the cash settlement bank. The principal of, and interest on, the Bonds shall be payable in Philippine Pesos.

The Issuer shall ensure that so long as any of the Bonds remain outstanding, there shall at all times be a Paying Agent for the purposes of the Bonds and the Issuer or the Paying Agent may only terminate the appointment of the Paying Agent as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, the Issuer shall appoint such other leading institution in the Philippines authorized to act in its place.

In the event that the details of the cash settlement account indicated by the relevant Bondholder in the Application to Purchase are incomplete or erroneous, or the cash settlement account of the relevant Bondholders has been closed, dormant, or inexistent, due to which payments to the Bondholders cannot be effected in a timely manner, then until the correction of the cash settlement account is effected and until credit of the relevant cash entitlement is completed, such payment shall either be retained in a suspense account with the relevant cash settlement bank or returned to the payment account, or otherwise disposed of by the cash settlement bank, in each case in accordance with the standard operating procedures of the relevant cash settlement bank.

In these cases, the Issuer and the Paying Agent shall not be liable to the relevant Bondholder for any failure or delay in the Bondholder's receipt of such payments.

Payment of Additional Amounts – Taxation

Interest income on the Bonds is subject to a withholding tax at rates that range from 10% to 25% depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following ("**Excluded Taxes**"):

- a) The withholding tax applicable on interest earned on the Bonds prescribed under the Tax Code, as amended, and its implementing rules and regulations as may be in effect from time to time; provided, further, that all Bondholders are required to provide the Issuer through the Bondholders' Selling Agent or PDEX Trading Participant and endorsed to the Registrar and Paying Agent their validly issued tax identification numbers issued by the BIR;
- b) Gross Receipts Tax under Section 121 and 122 of the Tax Code;
- c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding;
- d) Value-Added Tax under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337; and
- e) Any applicable taxes on any subsequent sale or transfer of the Bonds by any holder which shall be for the account of such holder (or its buyer, as the holder and the buyer may have agreed upon).

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

Please see the section on "*Taxation*" in the Prospectus for a more detailed discussion on the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax-Exempt Status or Entitlement to Preferential Tax Rate

An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar and Paying Agent, subject to acceptance by the Issuer, as being sufficient in form and substance:

- a) BIR-certified true copy of a valid, current and subsisting tax exemption certificate, ruling or opinion issued by the BIR and addressed to the relevant applicant or Bondholder, confirming its exemption or its entitlement to the preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and for tax-exempt Personal Equity Retirement Account (“PERA”) established pursuant to PERA Act of 2008, a certified true copy of the Bondholder’s current, valid and subsisting Certificate of Accreditation as PERA Administrator;
- b) with respect to tax treaty relief, the Issuer may apply the preferential tax treaty rate on the interest income of the non-resident foreign Bondholder by relying on the submission by such Bondholder of the following documents before the interest income is paid:
 - (i) on an application form for tax treaty purposes (BIR Form 0901-I for interest);
 - (ii) an authenticated or apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the Bondholder; and
 - (iii) the relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on interest income.

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

If the tax treaty rate was applied by the Issuer, it will file with the BIR’s International Tax Affairs Division (“ITAD”) a request for confirmation of the use of the tax treaty rate after the payment of the withholding tax no later than the last day of the fourth month following the close of the relevant taxable year with supporting documents specified in Revenue Memorandum Order No. 14-2021. If the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits, the request for confirmation will be denied and the BIR will require the Issuer to pay the deficiency taxes with penalties.

In case the Issuer used the regular rate under the Tax Code, the non-resident foreign Bondholder may file a tax treaty relief application (“TTRA”) with ITAD after it has received the dividend income with supporting documents specified in Revenue Memorandum Order No. 14-2021. If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient’s entitlement to treaty benefits, and the Bondholder may apply for a refund of excess withholding tax within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the Bondholder may be filed simultaneously with the TTRA.

- c) a duly notarized undertaking executed by:
 - (e) *the corporate secretary or any authorized representative of such applicant or Bondholder, who has personal knowledge of the exemption or entitlement to preferential tax treatment based on his official functions, if the Applicant purchases, or the Bondholder holds, the Bonds for its account; or*
 - (f) *the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e., Employee Retirement Fund, etc.),*

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

- a. of any suspension, revocation, amendment or invalidation (in whole or in part) of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form under the Registry and Paying Agency Agreement;
- b. if there are any material changes in the factual circumstances of the Bondholder including but not limited to its character, nature and method of operation, which are inconsistent with the basis for its income tax exemption; or
- c. if there are any change of circumstance, relevant treaty, law or regulation or any supervening event that may or would result in the interest income of the Bonds being ineligible for exemption or preferential rate, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non- withholding or incorrect withholding of the required tax, provided, that in case of corporate, partnership or trust account investors, such investor shall also submit an original certification from the corporate secretary or an equivalent officer of the investor, setting forth the resolutions of its board of directors or equivalent body authorizing the execution of the undertaking and designating the signatories, with their specimen signatures, for the said purpose.
- d. such other documentary requirements as may be reasonably required by the Issuer or the Registrar or Paying Agent, or as may be required under the applicable regulations of the relevant taxing or other authorities; provided, that, the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholders on the Interest payments to such Bondholders; *provided further* that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for Taxes, duties, assessments, or government charges (or with reduced rates, as the case may be), subject to the submission by the Bondholder claiming the benefit of any exemption or preferential rate of reasonable evidence of such exemption or preferential rate treatment to the Registrar and Paying Agent.

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

Unless otherwise indicated above, the foregoing requirements shall be submitted, (i) in respect of an initial issuance of Bonds, upon submission of the Application to Purchase to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners who shall then forward the same to the Registrar; or (ii) in respect of a transfer from a Bondholder to a purchaser, to the Registrar upon submission of the account opening documents.

Transfers taking place in the Electronic Register of Bondholders after the Bonds are listed in PDEX may be allowed between taxable and tax-exempt entities without restriction provided the same are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC. A selling or purchasing Bondholder claiming tax-exempt status is required to submit the following documents to the Issuer, upon submission of account opening documents to the Registry: (i) a written notification of the sale or purchase, including the tax status of the selling or buying party, and (ii) an indemnity agreement wherein the new Bondholder undertakes to indemnify the Issuer for any tax that may later on be assessed on the Issuer on account of such transfer.

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

8. FINANCIAL COVENANT

From the date of the Trust Agreement and so long as the Bonds or any portion thereof remains outstanding, and unless the Majority Bondholders shall otherwise consent in writing, the Issuer shall maintain a maximum Debt-to-Equity Ratio based on the audited consolidated financial statements of the Issuer of 2.50x, with testing to be done within 30 days upon the release of the full year audited consolidated financial statements of the Issuer.

Debt-to-Equity ratio is computed as Consolidated Total Liabilities/Consolidated Total Equity both as reflected in the Issuer's consolidated financial statements prepared in accordance with PFRS. For the computation of the Debt-to-Equity Ratio:

"Consolidated Total Liabilities" means the total liabilities as recognized and measured in its fiscal year-end audited consolidated financial statements in conformity with PFRS.

"Consolidated Total Equity" means the total stockholders' equity of the Issuer as of the relevant date for calculation (for the avoidance of doubt, including non-controlling interests) as recognized and measured in its fiscal year-end audited consolidated financial statements in conformity with PFRS.

Testing of both financial covenants shall be done within 30 days upon the release of the full year audited consolidated financial statements of the Issuer covering the previous year.

9. NEGATIVE PLEDGE

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

10. EVENTS OF DEFAULT

Each of the following events shall constitute an **"Event of Default"** under the Bonds and the Trust Agreement:

- a) the Issuer defaults in the payment when due of any amount payable to the Bondholders under the Bonds or the Trust Agreement unless such failure arises solely as a result of an administrative or technical error or a Disruption Event and payment is made within three (3) Business Days after the date such payment is due (a **"Payment Default"**);
- b) the Issuer fails to perform, comply with, or violates any material provision, term, condition, covenant or obligation contained in the Trust Agreement (other than by reason of paragraph (a) above and other paragraphs under this section on "Events of Default", and any such failure, non-compliance or violation is not remediable or, if remediable, continues unremedied for a period of thirty (30) days (or such longer curing period granted to the Issuer by the Majority Bondholders) from the date after written notice thereof shall have been received by the Issuer from the Trustee;
- c) any representation or warranty which is made by the Issuer in the Trust Agreement, or in any certificate delivered by the Issuer under the Trust Agreement, shall prove to have been untrue, incorrect or misleading in any material respect as of the time it was made and the circumstances which cause such representation or warranty to be untrue, incorrect or misleading continue for more than fifteen (15) Business Days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Bondholders to that effect;
- d) any Financial Indebtedness of the Issuer, whether singly or in the aggregate, in excess of five percent (5%) of its total assets (based on Issuer's parent-only financial statements prepared in accordance with PFRS), is not paid on its due date or within any applicable grace period or is declared to be due and

payable prior to its stated date of payment (except where liability for payment of that Financial Indebtedness is being contested in good faith by appropriate means as may be reasonably determined by the Majority Bondholders), or the Issuer is declared in default under any agreement, contract or document relating to any Financial Indebtedness of the Issuer, whether singly or in the aggregate, in excess of five percent (5%) of its total assets (based on Issuer's parent-only financial statements prepared in accordance with PFRS), allowing for all applicable grace periods thereunder;

- e) a decree or order by a court or other Governmental Authority having jurisdiction over the premises is entered without the consent or application of the Issuer:
1. adjudging the Issuer bankrupt or insolvent;
 2. approving a petition seeking a suspension of payments by or a rehabilitation or reorganization of the Issuer under any applicable bankruptcy, insolvency, rehabilitation or reorganization law;
 3. appointing a receiver, liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or of all or substantially all of the business or assets of the Issuer;
 4. providing for the winding-up or liquidation of the affairs of the Issuer;
 5. directing (provisionally or otherwise) the rehabilitation, administration, liquidation, winding-up or dissolution of the Issuer; or
 6. taking other action under Applicable Law which is similar to any of the events mentioned in paragraphs (1) to (5) above (inclusive);

provided, that, the issuance of any such decree or order shall not be an Event of Default if the same shall have been dismissed or stayed by injunction or otherwise within sixty (60) days from issuance thereof;

- f) the Issuer:
1. institutes voluntary proceedings to be adjudicated bankrupt or insolvent or consents to the filing of a bankruptcy or insolvency proceeding against it;
 2. files a petition seeking a suspension of payments by it or its financial rehabilitation or reorganization under any applicable bankruptcy, insolvency or reorganization law or consents to the filing of any such petition;
 3. seeks or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or substantially all of its business or assets;
 4. makes an assignment for the benefit of its creditors or admits in writing its inability to pay its debts generally as they become due;
 5. files a petition seeking the winding-up or liquidation of its affairs or consents to the filing of any such petition;
 6. takes any other step with a view to its rehabilitation, administration, liquidation, winding-up or dissolution or a suspension of payments by it; or
 7. takes other action under Applicable Law which is similar to any of the events mentioned in paragraphs (1) to (6) above (inclusive) (including, without limitation, any out-of-court or informal restructuring agreements or rehabilitation plans under the Financial Rehabilitation and Insolvency Act (Republic Act No. 10142), as the same may be amended from time to time);

- g) final and executory judgment(s), decree(s), order(s) or arbitral award(s) for the payment of money are rendered by a court of competent jurisdiction or arbitral body against the Issuer or its properties or assets from which no appeal may be made which will have a Material Adverse Effect and such judgment or order shall continue unsatisfied or undischarged thirty (30) days from the date when payment of such judgment, decree, order or award is due under the terms thereof, Applicable Law or relevant contract or agreement;
- h) the Issuer shall suspend or discontinue all or a substantial portion of its business operations, whether voluntarily or involuntarily for a period of thirty (30) consecutive days except in cases of strike, lockout, or closure when necessary to prevent business losses or when due to fortuitous events, or in cases of force majeure, provided that in any such event of strikes, lockouts, closure, or force majeure, there is or there will be no Material Adverse Effect;
- i) an attachment or garnishment of or levy upon any of the properties of the Issuer is made which materially and adversely affects the ability of the Issuer to pay its obligations under the Bonds and is not discharged or stayed within forty-five (45) days (or such longer period as the Issuer satisfies the Majority Bondholders is appropriate under the circumstances) of having been so imposed;
- j) any assessments or governmental charges levied upon it or against its properties, revenues and assets by the date on which such assessments or charges attached thereto, which are not contested in good faith by the Issuer, or after the lapse of any grace period that may have been granted to the Issuer by the BIR or any other Philippine tax body or authority;
- k) the Issuer shall contest in writing the validity or enforceability of the Bonds or shall deny in writing the general liability of the Issuer under the Bonds; and
- l) any event or circumstance that has or will have a Material Adverse Effect has occurred and is continuing.

11. NOTICE OF DEFAULT

The Trustee shall, within five (5) Business Days after receipt of written notice from the Issuer or the Majority Bondholders of the occurrence of an Event of Default, give to all the Bondholders written notice of any such Event of Default unless the same shall have been cured before the giving of such notice; provided, that in the case of a Payment Default (as described in paragraph (a) of the “*Description of the Bonds – Events of Default*”), the Trustee shall immediately notify the Bondholders upon the occurrence of such Payment Default.

The existence of a written notice required to be given to the Bondholders hereunder shall be published once in a newspaper of general circulation in Metro Manila, Philippines indicating in the published notice that the Bondholders or their duly authorized representatives may request any information relating to such occurrence of an Event of Default at the principal office of the Trustee upon presentation of sufficient and acceptable identification.

12. CONSEQUENCES OF DEFAULT

- a) If any one or more of the Events of Default shall have occurred and be continuing after the lapse of the period given to the Issuer within which to cure such Event of Default, if any, or upon the occurrence of such Event of Default for which no cure period is provided, (i) the Trustee upon the written direction of the Majority Bondholders, by notice in writing delivered to the Issuer, or (ii) the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, may declare the Issuer in default (“**Declaration of Default**”) and declare the principal of the Bonds then outstanding, together with all accrued and unpaid interest thereon and all amounts due thereunder, to be due and payable not later than five (5) Business Days from the receipt of the Declaration of Default (“**Default Payment Date**”) with a copy to the Registrar and Paying Agent who shall then prepare a payment report in accordance with the Registry and Paying Agency Agreement. Thereupon, the Issuer shall make all payments due on the Bonds in accordance with the Registry and Paying Agency Agreement.

- b) All the unpaid obligations under the Bonds, including accrued interest, and all other amounts payable thereunder, shall be declared to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Issuer.

13. PENALTY INTEREST

In case any amount payable by the Issuer under the Bonds, whether for principal, interest, or otherwise, is not paid on the relevant due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest and other amounts, pay a penalty fee on the defaulted amount(s) at the rate of twelve percent (12%) per annum (the “**Penalty Interest**”) from the time the amount fell due until it is fully paid in accordance with the Terms and Conditions of this Offer and the Trust Agreement.

14. PAYMENTS IN THE EVENT OF DEFAULT

Upon the occurrence of any Event of Default, and provided that there has been a Declaration of Default and acceleration of payment of the Bonds by the Majority Bondholders, then in any such case:

- a) the Issuer will pay the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on such outstanding Bonds with interest at the rate borne by the Bonds on the overdue principal and with Penalty Interest, where applicable, based on the payment report no later than the Default Payment Date. The Issuer also undertakes that it shall give the Trustee written notice of its intention to make any payments under this paragraph (a); and
- b) the Trustee shall have the right to require the Registrar and Paying Agent, upon demand in writing, to do the following:
 - i. to hold all sums, documents and records held by them in respect of the Bonds on behalf of the Trustee; and/or
 - ii. deliver all evidence of the Bonds and all sums, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee shall direct in such demand; provided, that such demand shall be deemed not to apply to any documents or records which the Registrar or Paying Agent is not allowed to release by any law or regulation; and/or
 - iii. subject to the terms of the Registry and Paying Agency Agreement, apply any money received from the Issuer pursuant to this section in the order of preference provided in the “*Description of the Bonds – Application of Payments*” below.

15. APPLICATION OF PAYMENTS

Any money collected by the Trustee as a consequence of a Declaration of Default and any other funds held by it, subject to any other provision of the Trust Agreement relating to the disposition of such money and funds or to the Registry and Paying Agency Agreement, shall be applied by the Trustee in the order of preference as follows:

- a) *First:* to the *pro rata* payment to the Trustee, the Registrar, the Paying Agent and PDEX of the reasonable, actual and documented costs, expenses, fees, and other charges of collection, including reasonable compensation to them, their agents, attorneys, and all reasonable, actual and documented expenses and liabilities incurred or disbursements made by them, without gross negligence or bad faith in carrying out their respective obligations under their respective agreements with the Issuer in connection with the Bonds.
- b) *Second:* to the payment of any Penalty Interest.

- c) *Third*: to the payment of all other outstanding interest, in the order of maturity of such interest based on the information on Bondholders reflected in the relevant registry account to be provided by the Registrar and Paying Agent in accordance with the Registry and Paying Agency Agreement.
- d) *Fourth*: to the payment of the principal amount of the Bonds then due and payable based on the information on Bondholders reflected in the relevant registry account to be provided by the Registrar and Paying Agent in accordance with the Registry and Paying Agency Agreement.
- e) *Fifth*: the remainder, if any, shall be paid to the Issuer, its successors, or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Except for any interest and principal payments, all disbursements of the Paying Agent in relation to the Bonds shall require the written conformity of the Trustee. The Paying Agent shall render a monthly account of such funds under its control.

16. PRESCRIPTION

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

17. REMEDIES

Subject to the discussion below under “*Description of the Bonds – Ability to File Suit*”:

- (a) all remedies conferred by the Trust Agreement to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Agreement; and
- (b) unless prescribed pursuant to the section on “*Prescription*”, no delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Agreement to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

18. ABILITY TO FILE SUIT

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Agreement to institute any suit, action or proceeding for the collection of any sum due from the Issuer under the Trust Agreement on account of principal, interest and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder unless:

- (i) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Bonds;
- (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in its own name;
- (iii) the Trustee for sixty (60) days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and

- (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders,

it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no Bondholder shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Agreement to affect, disturb or prejudice the rights of the holders of any other such Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders. For the protection and enforcement of this ability to file suit, each Bondholder and Trustee shall be entitled to such relief as can be given under Applicable Law.

19. WAIVER OF DEFAULT BY THE BONDHOLDERS

The Majority Bondholders (a) may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under the Trust Agreement, or (b) may on behalf of the Bondholders waive any past default except the Events of Default defined as a Payment Default (in paragraph (a) of the “*Description of the Bonds – Events of Default*”), insolvency default (in paragraphs (e) and (f) of the “*Description of the Bonds – Events of Default*”) or closure default (in paragraph (h) of the “*Description of the Bonds – Events of Default*”), and its consequences. In case of any such waiver, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights under the Trust Agreement; provided, that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Bonds.

20. SUBSTITUTION

Substitution of the Bonds is not contemplated.

21. TRUSTEE; NOTICES

The following discussion is qualified by the more detailed information as contained in the Trust Agreement.

Notice to the Trustee

All documents required to be submitted to the Trustee or the Issuer and all other notices, requests and other communications must be in writing and will be deemed to have been duly given only if delivered personally, or mailed (first class postage prepaid) or emailed to the relevant parties at the following addresses, or email addresses; and addressed to the individuals named below:

To the Issuer:

PHINMA CORPORATION

12/F PHINMA Plaza
39 Plaza Drive, Rockwell Center
Makati City, Philippines

Attention: Regina B. Alvarez
Chief Financial Officer
Telephone No: +632 8870 0100
Email: rbalvarez@phinma.com.ph;
with copy to investorrelations@phinma.com.ph

To the Trustee:

**RIZAL COMMERCIAL BANKING CORPORATION –
TRUST AND INVESTMENTS GROUP**

9th Floor, Yuchengco Tower, RCBC Plaza
6819 Ayala Avenue corner Sen. Gil Puyat Avenue
Makati City

Attention: Ryan Roy W. Sinaon
Vice President
Telephone No: +632 8894 9000 ext. 1278
Email Address: rwsinaon@rcbc.com

All such notices, requests and other communications will: (i) if delivered personally to the address as provided above, be deemed given upon delivery; and (ii) if delivered by mail or email in the manner described above to the address as provided above, be deemed given upon receipt and in case of email if received in readable form (in each case regardless of whether such notice, request or other communication is received by any other Person on behalf of such individual to whom a copy of such notice, request or other communication is to be delivered pursuant to this paragraph). Further, for purposes of transmitting notices or other communications via electronic mail or electronic transmission, the Issuer and the Trustee hereby agree to comply with the terms of the Electronic Instructions set out in the Trust Agreement. Each of the Trustee and the Issuer may from time to time change its address or other information for the purpose of notices hereunder by giving notice specifying such change to the other parties pursuant to the notice procedure under this paragraph.

Any notice, report or communication received on a non-working day or after business hours in the place of receipt will only be deemed given on the next working day in that place.

Notice to the Bondholders

Except where the Bonds and the Bond Agreements specifically require another party to send notice to the Bondholders, the Trustee shall send any and all notices to the Bondholders as may be required or necessary under the Bonds and the Bond Agreements to their contact details as set forth in the Register of Bondholders, it being understood, however, that for purposes of fulfilling its obligations to deliver such notices, the Trustee shall be entitled to rely on the Registry of Bondholders in determining the Bondholders entitled to notice and their respective contact details.

Except where a specific mode of notification is provided for in the Bond Agreements, notices to Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) e-mail; (iii) ordinary mail; (iv) by publication for at least once a week for two (2) consecutive weeks in at least two (2) newspapers of general circulation in the Philippines; (v) personal delivery to the address of record in the Register of Bondholders; or (vi) disclosure through the Online Disclosure System of the PDEX. If notices to the Bondholders shall be sent by mail or personal delivery, such notices shall be sent to the mailing address of the Bondholders as set forth in the Register of Bondholders. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) on the date of receipt of the e-mail in readable form; (iii) fifteen (15) days from mailing, if transmitted by ordinary mail; (iv) on the date of last publication, if notice is made by publication; (v) on the date of delivery, for personal delivery; or (vi) on the date of disclosure, if notice is made by disclosure through the Online Disclosure System of the PDEX. Further, for purposes of transmitting notices or other communications via electronic mail or electronic transmission, the Bondholders shall comply with the terms of the Electronic Instructions set out in the Trust Agreement.

22. DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

1. The Trustee shall independently perform each of the following duties for the benefit of the Bondholders:
 - (i) Coordinate with the Issuer, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Registrar and the Paying Agent in relation to the performance of their respective responsibilities under the relevant Bond Agreements.

- (ii) Have custody of and hold in its name, for and on behalf of the Bondholders, the Master Certificate of Indebtedness for the Bonds.
- (iii) Monitor compliance by the Issuer with the Trust Agreement, including the Issuer's compliance or non-compliance with all its representations and warranties, and the observance by the Issuer of all its covenants and performance of all its obligations, under and pursuant to the Trust Agreement; *provided*, that such monitoring shall be based solely on a sworn certification executed by an authorized officer of the Issuer and delivered to the Trustee within seven days from each Interest Payment Date, substantially in the form set out the relevant annex to the Trust Agreement.
- (iv) Monitor compliance by the Registrar and the Paying Agent with their respective functions and responsibilities prescribed under the Registry and Paying Agency Agreement, and from time to time, request information from the Registrar and Paying Agent on the outstanding Bonds, list of Bondholders, and such other information necessary for the performance of the duties and powers of the Trustee under the Trust Agreement; *provided*, that such monitoring shall be based solely on a sworn certification executed by an authorized officer of the Registrar and the Paying Agent and delivered to the Trustee within seven days from each Interest Payment Date, substantially in the form set out in the relevant annex to the Trust Agreement.
- (v) Report regularly to Bondholders any non-compliance by the Issuer with the Trust Agreement and any development with respect to the Issuer of which the Trustee may have actual notice or knowledge of based on official disclosures to PDEX, PSE, SEC and other regulatory agencies, or those which the Trustee may have been given actual notice or knowledge of that adversely affects the interest of the Bondholders, including any default by the Issuer on any of its obligations of which the Trustee may have actual notice or knowledge of, and inform the Bondholders, upon the recommendation of legal counsel, of the alternative courses of action that they may take to protect their interest; *provided*, that for purposes hereof, the Trustee shall, without need of any further act or notice to the Issuer, publish a notice once in a newspaper of general circulation, binding upon all the Bondholders wherever situated or located, that the Bondholders or their duly authorized representatives may obtain a report regarding the Bonds at the principal office of the Trustee upon presentation of sufficient and acceptable identification. Upon advice of legal counsel, the Trustee shall inform the Bondholders of the alternative courses of action that they may take to protect their interest.
- (vi) Act on behalf of the Bondholders including calling for and/or attending meetings of the Bondholders in the manner set out in this section. A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Bondholders of any specified aggregate principal amount of the Bonds under any other provisions of this Agreement or under the law and such other matters related to the rights and interests of the Bondholders under the Bonds.
 - (1) A meeting (either a face-to-face meeting or a meeting held through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication) of the Bondholders for purposes of taking any actions authorized under the Trust Agreement or under Applicable Law may be called by the following: (a) the Trustee, on its own accord or upon the written request of the Issuer, or (b) the Bondholders representing more than twenty-five percent (25%) of the outstanding principal amount of the Bonds. The meeting may be held at such time and at such place or via such mode (as applicable) as the Trustee shall determine.
 - (2) Unless otherwise provided herein the Trust Agreement, the Trustee shall give notice of every meeting of the Bondholders (which notice must set forth the time, place requirements and procedures for participating and voting in meetings held through remote communication, and purpose of such meeting in reasonable detail) to the Issuer and each of the registered Bondholders not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting and shall publish such notice once in a newspaper of general circulation; *provided*, that if the purpose of the meeting is to take any decision or action in respect of an Event of Default or potential Event of Default or the issuance of a Declaration

of Default, the notice shall be made at least five (5) days prior to the date fixed for the meeting.

The Trustee shall fix the record date for determining the Bondholders entitled to notice and vote during the meeting, which record date shall not be earlier than forty-five (45) days before the date of the meeting; *provided* that if the purpose of the meeting is to take any decision or action in respect of an Event of Default or potential Event of Default or the issuance of a Declaration of Default, the record date shall not be earlier than fifteen (15) days before the date of the meeting.

- (3) Failure of the Trustee to call a meeting upon the written request of either the Issuer or the Bondholders representing more than twenty-five percent (25%) of the outstanding principal amount of the Bonds within three (3) Business Days from receipt of such request shall entitle the requesting party to send and publish the appropriate notice of the Bondholders' meeting in accordance with Section 4.1(a)(vi)(2) of the Trust Agreement. The costs for calling such meeting and sending and publishing such notice of meeting shall be for the Trustee's account.
- (4) The presence of the Majority Bondholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Bondholders. The Trustee shall determine and record the presence of the Majority Bondholders based on the list of Bondholders prepared by the Registrar in accordance with the Registry and Paying Agency Agreement, which list shall include (a) the complete names of the Bondholders (including the name of the authorized representative of the Bondholder, where applicable), (b) the amount of Bonds held by the Bondholders as of the relevant record date, (c) the complete address and contact details of the Bondholders, (d) the specimen signatures of the Bondholders' authorized signatories, and (e) such other information necessary for the performance of the duties and powers of the Trustee under the Trust Agreement as may be requested by the Trustee). The Registrar shall, and the Issuer shall cause the Registrar to, provide the Trustee with a list of Bondholders at least five (5) Business Days upon receipt of written request from the Trustee.
- (5) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by the Issuer or by the Majority Bondholders as provided in Section 4.1(a)(vi)(3) of the Trust Agreement, in which case the Issuer or the Majority Bondholders calling the meeting, as the case may be, shall move for the election of the chairman and secretary of the meeting. The elected secretary shall take down the minutes of the meeting, covering all matters presented for resolutions by and the results of the votes cast by the Bondholders entitled to vote at the meeting and/or the person appointed by a public instrument in writing as proxy or agent by any such Bondholder in accordance with Section 4.1(vi)(7) of the Trust Agreement. The elected secretary shall immediately provide the Trustee with the copy of the minutes of the meeting which copy shall be made available at any time to the Issuer and all Bondholders upon receipt of written request, provided that the cost of furnishing the same to the requesting party shall be for such person's account.
- (6) Any meeting of the Bondholders may be adjourned from time to time for a period not to exceed in the aggregate one (1) year from the date for which the meeting shall originally have been called, and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by Persons representing a majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.
- (7) To be entitled to vote at any meeting of the Bondholders, a Person should be a registered holder of the Bonds as reflected in the Register of Bondholders on the date fixed pursuant to Section 4.1(a)(vi)(2) and Section 4.1(a)(vi)(3) of the Trust Agreement, as the case may be, or a Person should be appointed by a public instrument as proxy or agent by any such Bondholder (and, in case of corporate or institutional Bondholders, duly supported by the

resolutions of its board of directors or equivalent body authorizing the appointment of the proxy or agent duly certified by its corporate secretary or an authorized officer) for the meeting. For the avoidance of doubt, the Bondholders shall be entitled to one (1) vote for every One Peso (₱1.00) worth of Bonds. The only Persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the Persons entitled to vote at such meeting and any representative of the Trustee, the Issuer and their respective legal counsels.

- (8) Except as otherwise specifically provided in the Trust Agreement, all matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders (which should be present or represented in a meeting at which there is a quorum).
Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Trustee.
- (9) Wherever in the Trust Agreement it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of Bonds may take any action (including the making of any demand or request, the giving of any notice or consent, or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined such action may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing in accordance with Section 4.1(a)(vi)(7) of the Trust Agreement; (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith; or (iii) a combination of such instruments and any such record of meeting of the Bondholders.
- (10) Notwithstanding the provisions in this section and other provisions of the Trust Agreement, the Trustee may make such reasonable regulations (not inconsistent with the terms and conditions of the Trust Agreement) as it may deem advisable for any meeting of the Bondholders, with regard to the proof of ownership of the Bonds, the appointment of proxies by the Bondholders, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.
- (11) All cost and expenses incurred by the Trustee in connection with the meetings of the Bondholders shall be for the account of the Issuer and shall be paid or reimbursed by the Issuer within ten (10) Business Days from receipt of the duly supported billing statement.
- (vii) Safekeep (1) all records enumerated in Section 3.2 of the Trust Agreement, (2) copies of all submissions of the Issuer to the SEC in connection with the procurement and maintenance of the SEC Registration Documents (as such term is defined in the Trust Agreement) and the Bond Agreements, and (3) such other documents that may be deemed pertinent and as may be reasonably requested by the Trustee in the performance of its functions.
- (viii) Upon written request by the Issuer no later than 11:30 a.m. within three (3) Business Days following the date the Trustee receives such request, send notice of any matter to the Bondholders, other than those matters the notice of which is specifically required to be given to the Bondholders by another party under the Bond Agreements.
- (ix) The Trustee shall observe due diligence required of a prudent and reasonable Person under the same circumstances, in the performance of its duties and obligations under the Trust Agreement. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with respect to any matters that must be taken up with the Issuer.
- (x) Prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, the Trustee shall perform only such duties as are specifically set forth in the Trust Agreement. In case of default, the Trustee shall exercise such rights and powers vested in it by the

Trust Agreement, and use such diligence, judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters will exercise in the management of their own affairs.

- (b) The Trustee, in the performance of its duties, shall exercise such rights and powers vested in it by the Trust Agreement, and use such diligence, judgment and care under the circumstances then prevailing that individuals of prudence, discretion, and intelligence, and familiar with such matters exercise in the management of their own affairs. The Trustee may perform any of its duties hereunder through its directors, officers, employees, agents, or attorneys-in-fact. Subject to the succeeding paragraph, the Trustee shall not be responsible for the inadequacy of the Issuer to meet and discharge any of its obligations under the Bonds or be liable for any depreciation in value or other losses of the Bonds. Neither shall the Trustee be a surety or a guarantor of the solvency or capacity of the Issuer, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Registrar, the Paying Agent, or any of their authorized representatives. Each Bondholder is deemed to have represented and warranted to the Trustee and to the Issuer that it has independently and, without reliance on the Trustee or the issuer, made its own credit investigation and appraisal of the financial position and affairs of the Issuer on the basis of such documents and information it has deemed appropriate and that it has subscribed to the Bonds on the basis of such independent appraisal, and that it shall continue to make its own credit appraisal without reliance on the Trustee or the Issuer.

In the absence of willful misconduct, fraud, evident bad faith, gross negligence or breach of Applicable Law on the part of the Trustee, the Issuer agrees to indemnify and hold the Trustee free and harmless from and against any and all claims, liabilities, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations under the Trust Agreement.

- (c) Reliance in good faith on the information submitted by the Issuer, the Bondholders, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Registrar and the Paying Agent, or any of their authorized representatives pursuant to the terms and conditions of the Bond Agreements, after exercising the due diligence required of a prudent and reasonable person under the same circumstances, shall absolve the Trustee from any liability. The Trustee shall be fully protected in acting in accordance with the written directions, requests, instructions, and certifications of the Issuer, the Bondholders, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Registrar, or the Paying Agent, or any of their authorized representatives pursuant to the terms and conditions of the Bond Agreements, to the extent permitted by Applicable Law.

The Trustee may rely on any communication or document believed by it in good faith to be genuine after exercising the due diligence required of a prudent and reasonable person under the same circumstances, and may rely on the statements of any of the Issuer, the Bondholders, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Paying Agent, the Registrar or any of their authorized representatives, on any matter or fact which might reasonably be expected to be within the knowledge of the latter.

The Trustee may request from the Issuer, the Bondholders, Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners the Paying Agent or the Registrar, or any of their authorized representatives, for any information and/or assistance as the Trustee may reasonably require to enable it to perform its rights, powers, duties, functions, authorities, and discretion under the Trust Agreement, including but not limited to a certification of compliance (in the form offset out in the relevant annex to the Trust Agreement) to be delivered by the Issuer on a quarterly basis to confirm the Issuer's compliance with its obligations and undertakings under the Bonds and the Trust Agreement. The Issuer shall submit the certification of compliance for the first three quarters of the Issuer's fiscal year within forty-five (45) days from the end of the relevant quarter, and the annual certification of compliance within one hundred and twenty (120) days from the end of its fiscal year.

The Trustee may presume that no Event of Default has occurred until it has received notice thereof and it may conclusively rely upon the certification of compliance to be delivered by the Issuer.

- (d) In coordination with the Issuer, the Trustee may seek the advice of legal counsel, and take any action in accordance with the written advice of such legal counsel; provided, however, that coordination with the Issuer

shall not be necessary if there is an occurrence of an Event of Default. Any such action taken or suffered in good faith by the Trustee as a consequence of the reasonable opinion of the said legal counsel, shall be conclusive and binding upon the Issuer and the Bondholders, and the Trustee shall be fully protected from any liability for any loss or damage suffered or caused to be suffered by the Issuer and/or the Bondholders by virtue thereof, provided there is no concurrent breach by the Trustee of its obligations under the Trust Agreement.

The Trustee may assume that the Issuer has taken and obtained such necessary legal and other advice and opinion in respect of the actions taken or suffered by the Trustee in accordance with the foregoing paragraph and that the same is satisfactory to it, so that the Trustee shall have no obligation or responsibility to seek or obtain any other independent or additional advice or opinion and shall not be liable for any loss or damage suffered or incurred by the Issuer and/or the Bondholders as a result thereof. Notwithstanding the foregoing, the Trustee shall exert best efforts to mitigate any loss or damage to the Issuer and/or the Bondholders to the extent possible.

- (e) The Trustee may refrain from doing anything under the Trust Agreement that would or might in its reasonable opinion be contrary to Applicable Law or render it liable to any Person, and until it has been indemnified or secured to its satisfaction against any and all costs, losses, expenses, or liabilities which it would or might sustain or incur as a result. The Trustee may refrain from performing any action not expressly provided in the Trust Agreement unless it is first given the proper written instructions by the Issuer and until it has been indemnified or secured to its satisfaction against any and all costs, losses, expenses, or liabilities which it would or might sustain or incur as a result, except if there is an occurrence of an Event of Default.
- (f) Except as may be necessary to perform its duties under the Trust Agreement and as required by Applicable Law, the Trustee (i) shall permanently keep privileged and confidential, separate and distinct, any information, data, documents, files, properties, funds, or any other matter which it may acquire pursuant to the Trust Agreement or obtained in the course of the performance of its duties and functions as a Trustee, (ii) shall refrain from disclosing any such information or item in any manner, whether written, verbal, telegraphic, coded, or encrypted, whether in physical, electronic, or any other form or media, and (iii) hereby undertakes not to use any such information or item for its own benefit or for the benefit of any of its clients regardless of whether or not such use can be shown to cause disadvantage, injury, or damage to the Issuer; *provided*, that where any disclosure of the foregoing information is required by Applicable Law, the Trustee shall to the extent permitted by Applicable Law, consult with and properly apprise the Issuer of such legal requirement prior to the proposed disclosure and give reasonable opportunity to the Issuer to consider the same before the Trustee makes any decision to release it and such disclosure shall only be to the extent required by Applicable Law. This paragraph (f) shall survive the Trust Agreement.
- (g) For the faithful performance of its duties under the Trust Agreement, the Trustee shall not be required to furnish any bond or undertaking.
- (h) Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be party or any corporation succeeding to the business of the Trustee shall be the successor of the Trustee hereunder without the need for the execution or filing of any paper or any further act on the part of any parties hereto, anything to the contrary notwithstanding; provided that such successor trustee shall be eligible to act as trustee under the provisions of the Trust Agreement and under Applicable Law.
- (i) The Trustee shall collect, process, retain, share, dispose and destroy the personal and/or sensitive personal information (the “**Information**”) of the Bondholders in accordance with the Data Privacy Act of 2012 and its Implementing Rules and Regulations. The Trustee shall not sell, trade or otherwise share the Information for marketing purposes to third parties without the written consent of the relevant Bondholder. The Trustee may disclose the Information to:
 - (i) government or regulatory agencies if required by the Applicable Law, or if reasonably determined by the Trustee to be necessary in relation to the use of the Information in connection with the provision of any service related to the Trust Agreement, and for data processing, storage, retention, collection,

sharing, disposal and destruction as may be necessary for the provision of such service, anti-money laundering and combating the financing of terrorism monitoring, review and reporting, or for purposes of complying with any law or regulation, for law enforcement purposes, national security or public interest (the “**Purpose**”);

- (ii) its employees, directors, officers, representatives, agents, advisors, counsels, and service providers as the Trustee deems it reasonably necessary in relation to the Purpose; and
 - (iii) its subsidiaries and affiliates as well as employees, directors, officers, representatives, agents, advisors, counsels, and service providers of such subsidiaries and affiliates, as the Trustee deems it reasonably necessary in relation to the Purpose.
- (j) Except as may be otherwise provided in the Trust Agreement, the Trustee is not required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights and powers under the Trust Agreement if there is reasonable ground to believe that the repayment of such funds or liability is not reasonably assured to them under the terms of the Trust Agreement.

23. RESIGNATION AND CHANGE OF TRUSTEE

The Trustee may at any time resign by giving at least ninety (90) days’ prior written notice to the Issuer of such resignation.

Upon receipt of such notice of resignation of the Trustee, the Issuer shall immediately appoint a replacement trustee, who shall be acceptable to the Issuer, by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the resigning Trustee and one (1) copy to the replacement trustee. If no replacement trustee shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a replacement, or any Bondholder who has been a bona fide holder for at least the immediately preceding six (6) months may, for and in behalf of the Bondholders, petition any such court for the appointment of a replacement. Such court may thereupon after notice, if any, as it may deem proper, appoint a replacement trustee.

Subject to paragraph (f) below, a replacement trustee must possess all the qualifications required under pertinent laws and the Trust Agreement.

In case at any time the Trustee (i) shall fail to comply with the provisions of the Trust Agreement in relation to conflict of interest, after written request therefor by the Issuer or by any Bondholder, (ii) shall cease to be eligible in accordance with the provisions of the Trust Agreement or Applicable Law and shall fail to resign after written request therefor by the Issuer or by any Bondholder; (iii) in the reasonable opinion of the Issuer, has committed fraud, bad faith, willful misconduct or gross negligence or has otherwise violated Applicable Law, in each case, in the performance of any material obligation under the Trust Agreement; or (iv) shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer may within thirty (30) days therefrom remove the Trustee, and appoint a replacement trustee, by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the Trustee so removed and one (1) copy to the replacement trustee. If the Issuer fails to remove the Trustee and appoint a replacement trustee, any Bondholder may, on behalf of himself and all other Bondholders, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a replacement trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a replacement trustee.

The Majority Bondholders may at any time remove the Trustee for just and reasonable cause, and with consent of the Issuer (provided that no consent shall be required if there has been an occurrence of an Event of Default), appoint a replacement trustee, by the delivery to the Trustee so removed, to the replacement trustee and to the Issuer of the evidence (as provided for in the Trust Agreement) of the action in that regard taken by the Majority Bondholders, which removal shall take effect thirty (30) days from receipt of such notice by the Trustee; provided,

that if no replacement trustee shall have been appointed within ninety (90) days from the receipt of the Issuer of the written evidence (as provided for in the Trust Agreement) of the action taken, the Majority Bondholders may appoint a replacement trustee without the consent of the Issuer. This is without prejudice to whatever remedies may be available to the Majority Bondholders under the law or in equity.

Any resignation or removal of the Trustee and appointment of a replacement trustee pursuant to any of the provisions of the Trust Agreement shall become effective upon the earlier of: (i) the acceptance of appointment by the replacement trustee as provided in the Trust Agreement; and (ii) the effectivity of the resignation notice sent by the Trustee under the Trust Agreement; provided, however, that until such replacement trustee is qualified and appointed, the outgoing Trustee shall discharge duties and responsibilities solely as a custodian of records for turnover to the replacement trustee promptly upon the appointment thereof by the Issuer.

Within ten (10) days from the effectiveness of the resignation or removal of the outgoing trustee and the appointment of the replacement trustee, the outgoing trustee shall transfer and turn over to the replacement trustee, and shall make an accounting of, all the assets, documents or instruments which are in the custody of the outgoing trustee, if any.

24. REPLACEMENT TRUSTEE

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

Upon acceptance of the appointment by a replacement trustee as provided in this section, the Issuer shall notify the Bondholders in writing and/or by publication once in a newspaper of general circulation in Metro Manila, Philippines, of the replacement of such trustee to the trusteeship provided in the Trust Agreement. If the Issuer fails to notify the Bondholders within ten (10) days after the acceptance of appointment by the replacement trustee, the latter shall cause.

25. REPORTS TO THE BONDHOLDERS

Only upon the existence of (a) and (b) below, the Trustee shall submit to the Bondholders on or before March 1 of each year from the Issue Date until full payment of the Bonds a brief report dated as of December 31 of the immediately preceding year with respect to:

- a) the property and funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report which shall be based on the report to be given by the Paying Agent to the Trustee upon request by the Trustee through the Issuer; and
- b) any action taken by the Trustee in the performance of its duties under the Trust Agreement which it has not previously reported and which in its opinion materially affects the Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.

The Trustee shall submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Registrar and Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, the remaining unpaid amounts of such advance is at least ten percent (10%) of the aggregate outstanding principal amount of the Bonds at such time.

26. INSPECTION OF DOCUMENTS

Upon due notice to the Trustee, the following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:

- a) the Trust Agreement,
- b) the Registry and Paying Agency Agreement,
- c) the Articles of Incorporation and By-Laws of the Issuer, and
- d) the Registration Statement of the Issuer with respect to the Bonds (including the Bonds) with the Prospectus.

27. MEETINGS OF BONDHOLDERS

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

The following discussion is qualified by the more detailed information as contained in the Trust Agreement.

Notice of Meetings

A meeting (either a face-to-face meeting or a meeting held through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication) of the Bondholders for purposes of taking any actions authorized under the Trust Agreement or under Applicable Law may be called by the following:

- (a) the Trustee, on its own accord or upon the written request of the Issuer, or
- (b) the Bondholders representing more than twenty-five percent (25%) of the outstanding principal amount of the Bonds.

The meeting may be held at such time and at such place or via such mode (as applicable) as the Trustee shall determine.

Unless otherwise provided in the Trust Agreement, the Trustee shall give notice of every meeting of the Bondholders (which notice must state the purpose thereof in reasonable detail and set forth the time, place, mode (as applicable), requirements and procedures for participating and voting therein) to the Issuer and each of the registered Bondholders not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting and shall publish such notice once in a newspaper of general circulation; provided, that, if the purpose of the meeting is to take any decision or action in respect of an Event of Default or potential Event of Default or the issuance of a Declaration of Default, the notice shall be made at least five (5) days prior to the date fixed for the meeting.

The Trustee shall fix the record date for determining the Bondholders entitled to notice and vote during the meeting, which record date shall not be earlier than forty-five (45) days before the date of the meeting; provided, that, if the purpose of the meeting is to take any decision or action in respect of an Event of Default or potential Event of Default or the issuance of a Declaration of Default, the record date shall not be earlier than fifteen (15) days before the date of the meeting.

All reasonable, actual and documented costs and expenses incurred by the Trustee in connection with the meetings of the Bondholders shall be for the account of the issuer and shall be paid or reimbursed by the Issuer within ten (10) Business Days from receipt of the duly supported billing statement.

Failure of the Trustee to Call a Meeting

Failure of the Trustee to call a meeting upon the written request of either the Issuer or the Bondholders representing more than twenty-five percent (25%) of the outstanding principal amount of the Bonds, within three (3) Business Days from receipt of such request shall entitle the requesting party to send and publish the appropriate notice of the Bondholders' meeting and fix the record date for determining the Bondholders entitled to attend and vote in accordance with the procedure set forth under "*Description of the Bonds – Notice of Meetings*". The costs for calling such meeting and sending and publishing such notice of meeting shall be for the Trustee's account.

Quorum

The presence of Majority Bondholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Bondholders. The Trustee shall determine and record the presence of the Majority Bondholders based on the list of Bondholders prepared by the Registrar in accordance with the Registry and Paying Agency Agreement, which list shall include all (a) the complete names of the Bondholders (including the name of the authorized representative of the Bondholder, where applicable), (b) the amount of Bonds held by the Bondholders as of the relevant record date, (c) the complete address and contact details of the Bondholders, (d) the specimen signatures of the Bondholders' authorized signatories, and (e) such other information necessary to the performance of the duties and powers of the Trustee under the Trust Agreement as may be requested by the Trustee). The Registrar shall, and the Issuer shall cause the Registrar to, provide the Trustee with a list of Bondholders and the foregoing information at least five (5) Business Days upon receipt of written request from the Trustee.

Procedure for Meetings

- a) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by the Issuer or by the Majority Bondholders as provided under "*Description of the Bonds – Failure of the Trustee to Call a Meeting*" in which case the Issuer or the Majority Bondholders calling the meeting, as the case may be, shall move for the election of the chairman and secretary of the meeting. The elected secretary shall take down the minutes of the meeting, covering all matters presented for resolutions by and the results of the votes cast by the Bondholders entitled to vote at the meeting and/or the Person appointed by a public instrument as proxy or agent by any such Bondholder in accordance with the procedure set forth in "*Description of the Bonds – Voting Rights*". The elected secretary shall immediately provide the Trustee with a copy of the minutes of the meeting which copy shall be made available at any time to the Issuer and all Bondholders upon receipt of written request, provided that the cost of furnishing the same to the requesting party shall be for such person's account.
- b) Any meeting of the Bondholders may be adjourned from time to time for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called, and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by Persons representing a majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

Voting Rights

To be entitled to vote at any meeting of the Bondholders, a Person should be a registered holder of the Bonds as reflected in the Register of Bondholders on the relevant record date fixed by the Trustee, the Issuer or the Majority Bondholders (as the case may be) pursuant to the Trust Agreement, or a Person appointed in writing by a public instrument as proxy or agent by any such Bondholder (and, in case of corporate or institutional Bondholders, duly supported by the resolutions of its board of directors or equivalent body authorizing the appointment of the proxy or agent duly certified by its corporate secretary or an authorized officer) for the meeting. For the avoidance of doubt, the Bondholders shall be entitled to one (1) vote for every One Peso (₱1.00) worth of Bonds. The only Persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the Persons entitled to vote at such meeting, and any representative of the Trustee, the Issuer and their respective legal counsels.

Voting Requirement

Except as provided in “*Description of the Bonds - Amendments*”, all matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders (which should be present or represented in a meeting at which there is a quorum). Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Trustee.

Role of the Trustee in Meetings of the Bondholders

Notwithstanding any other provisions of the Trust Agreement, the Trustee may make such reasonable regulations (not inconsistent with the Trust Agreement) as it may deem advisable for any meeting of the Bondholders, with regard to proof of ownership of the Bonds, the appointment of proxies by the Bondholders, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

28. EVIDENCE SUPPORTING THE ACTION OF THE BONDHOLDERS

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

29. NON-RELIANCE

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

30. EXECUTION OF AMENDMENTS OR SUPPLEMENTAL AGREEMENTS

The Issuer and the Trustee may, without prior notice to or the consent of the Bondholders or other parties, amend or waive any provisions of the Trust Agreement if such amendment or waiver is of a formal, minor, or technical

nature or to correct a manifest error or inconsistency; provided, in all cases, that such amendment or waiver does not adversely affect the interests of the Bondholders; provided, further, that all Bondholders are notified of such amendment or waiver.

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

- a) without the consent of all Bondholders affected thereby: (i) extend the maturity date of the Bonds; (ii) reduce the principal amount of the Bonds, or (iii) reduce the rate or extend the time of payment of interest and principal thereon;
- b) impair the right of any Bondholder to (i) receive payment of principal of and interest on the Bonds on or after the due dates therefore, or (ii) to institute suit for the enforcement of any payment on or with respect to such Bondholder; affect the rights of some of the Bondholders without similarly affecting the rights of all the Bondholders;
- c) make any Bond payable in money other than that stated in the Terms and Conditions;
- d) subordinate the Bonds to any other obligation of the Issuer;
- e) amend or modify the provisions of the Terms and Conditions on Taxation, the Events of Default or the provisions under "*Description of the Bonds – Waiver of Default by the Bondholders*";
- f) reduce the percentage of the Bondholders required to be obtained under the Trust Agreement for their consent to or approval of any supplemental agreement or any waiver provided for in the Trust Agreement, without the consent of all the Bondholders; or
- g) make any change or waiver of the conditions under this section (*Description of the Bonds - Execution of Amendments or Supplemental Agreements*).

It shall not be necessary to obtain the consent of the Bondholders under this section (*Description of the Bonds - Execution of Amendments or Supplemental Agreements*) for the purpose of approving the particular form of any proposed supplemental agreement but such consent shall be necessary for the purpose of approving the substance thereof.

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

Promptly after the execution by the Issuer and the Trustee of any supplemental agreement pursuant to the provisions of this section (*Description of the Bonds - Execution of Amendments or Supplemental Agreements*), the Issuer shall send a notice to the Bondholders setting forth in general terms the substance of such supplemental agreement. Any failure of the Issuer to send such notice or any defect therein shall not, however, in any way impair or affect the validity of any supplemental agreement.

31. GOVERNING LAW

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

32. VENUE

Any suit, action, or proceeding arising out of, or relating to, the Bonds or the Trust Agreement shall be brought in any competent court in the City of Makati, to the exclusion of all other courts and venues, and the parties submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment, the Issuer, the Trustee and the Bondholders expressly waiving other venue.

33. WAIVER OF PREFERENCE

The obligations created under the Bonds and the Bond Agreements shall not enjoy any priority of preference or special privileges whatsoever over any Financial Indebtedness of the Issuer. Accordingly, whatever priorities or preferences that the Bonds and the Bond Agreements may have or any Person deriving a right hereunder may have under Article 2244, paragraph 14(a) of the Civil Code of the Philippines are hereby absolutely and unconditionally waived and renounced. This waiver and renunciation of the priority or preference under Article 2244, paragraph 14(a) of the Civil Code of the Philippines shall be automatically revoked or deemed not given should any bank, lender or creditor to the Issuer or any claimant against the Issuer have a preference or priority over amounts owing under their respective agreements as a result of a notarization, and the Issuer has not either procured a waiver of this preference to the satisfaction of (i) the Trustee in respect of the Bonds and the Trust Agreement, (ii) the Joint Lead Underwriters in respect of the Underwriting Agreement, and (iii) the Registrar and Paying Agent in respect of the Registry or Paying Agency Agreement, or equally and ratably extended such preference to (i) the Bondholders and the Trustee in respect of the Bonds and the Trust Agreement, (ii) the Joint Lead Underwriters in respect of the Underwriting Agreement, and (iii) the Registrar and Paying Agent in respect of the Registry or Paying Agency Agreement, as respectively determined by the Trustee, the Joint Lead Underwriters, and the Registrar or Paying Agent.

VI. RISK FACTORS AND OTHER CONSIDERATIONS

General Risk Warning

An investor deals in a range of investments, each of which may carry a different level of risk. An investment in the Bonds involves a number of risks. Prospective investors should carefully consider the risks described below, in addition to other information contained in this Prospectus, including the Company's financial statements and notes relating thereto, before making any investment decision relating to the Bonds. These factors, which have been arranged according to their level of importance, may be summarized into those that pertain to the business and operations of the Company, those that pertain to the overall political, economic, and business environment in the Philippines, and those that pertain to the Bonds.

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.

Prudence Required

This section does not purport to disclose all of the risks and other significant aspects of investing in the Bonds. Investors should undertake independent research regarding the Company and the trading of securities before commencing any trading activity and may request all publicly available information regarding the Company and the Bonds from the SEC.

The Company's past performance is not an indication of its future performance. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or are currently considered immaterial could have a material adverse effect on the Company's business, result of operations, financial condition and prospects, and could cause the market price of the Bonds to fall significantly and investors may lose all or part of their investment.

Professional Advice

Investors should seek professional advice regarding any aspect of the securities, such as the nature of the risks involved in the trading of the securities.

RISKS RELATED TO THE COMPANY

1. Dividend Restriction

As a holding company which primarily derives cashflow from dividend income from its investments in subsidiaries and associates, PHINMA's ability to service its own obligations may be affected by the dividend restrictions imposed by the outstanding loan agreements and financial stability of its operating companies. Moreover, creditors of PHINMA's subsidiaries and affiliates will have priority claims over the assets of such subsidiaries and affiliates.

The Company has put in place prudent financial management measures, one of which is centralizing all loan documentation and availment within the Treasury Group, to ensure its subsidiaries and affiliates are still afforded flexibility to upstream dividends to their parent.

As parent company, PHINMA earned ₱429.58 million, ₱402.71 million and ₱377.72 million of dividend income for the years 2020, 2019 and 2018, respectively. Though these may not be indicative of future performance of the Company, PHINMA hopes to benefit from its expansion initiatives such as new acquisitions for PHINMA Education including RCI, RCL, and UCL⁴, to expand its cashflow stream.

2. Business Cyclicity Risk

Select businesses of the Group have exhibited seasonality in demand and revenues. Demand for construction materials are higher during the months from December to May, than in the rainy months of June to November. School year for PHINMA Education's schools is generally from August to April and summer classes are from

⁴ PHINMA Education, with CARD, entered into a Share Purchase Agreement with controlling stockholders of UCL on April 23, 2021.

May to July. Thus, cashflow outside these periods may be relatively lower.

The Company takes this business seasonality into account during periodic budget review and undertakes capital reallocation as necessary should there be adverse changes in the business units projected cashflows.

3. Competition Risk

Construction Materials Group

The construction materials industry is a fragmented industry with numerous domestic and foreign competitors, although there are local market players, such as UGC, that hold relatively strong market positions. Because of the numerous competitors, the Construction Materials Group may have difficulty executing its business strategies as its position may not be strong enough to influence the market.

As of December 31, 2020, UGC's estimated domestic market share for steel roofing and polyurethane products are 8.5% and 8.0%, respectively, based on the company's estimates. UGC's steel roofing and steel products business faces stiff competition from other market participants that import finished steel products from foreign sources like China, Korea and Vietnam.

Compared to its competitors, UGC has a very large and diversified distribution network, with roll forming plants, warehouses, and sales offices in strategic locations throughout the country. UGC leverages its nationwide distribution and manufacturing footprint as a competitive advantage that ensures that its products are always available when needed by its customers. UGC can also manufacture and import roofing materials, giving it the flexibility to fulfill large, customized orders.

Philcement likewise operates in a highly competitive industry. Market players may employ aggressive pricing strategies and make it difficult for competitors, in general, to gain any non-price competitive advantage. Philcement mitigates this risk by owning and operating a new and efficient cement terminal in Bataan (the "Mariveles Cement Facility I") that allows the company to efficiently load and unload cement into and from vessels and transport them to different destinations nationwide. To this date, Philcement has been able to competitively serve areas in North Luzon, Metro Manila, Visayas, and Mindanao regions.

Education Group

PHINMA Education Schools compete with both public and private educational institutions that cater to the low income market. If PHINMA Education is unable to keep its education costs at competitive levels, it may not be able to attract the desired number of students to maintain its growth and profitability.

PHINMA Education Schools are competitively priced compared to the other Higher Education Institutions ("HEIs") which target the same market. Although State Universities and Colleges ("SUC") offer free tuition since the passage of the Universal Access to Tertiary Education Act, enrollment in SUCs is limited due to constraints in budget and infrastructure, as well as stringent academic admission requirements of SUCs. In general, the PHINMA Education Schools, in terms of enrolment, are among the top 5 private schools operating in their respective localities based on enrollment size, with the exception of the newer acquisitions (SJCI, RCI, and RCL). Costs are managed in order to keep tuition fees accessible to the target market. Programs are modular, offering students options for shorter courses resulting in immediate course completion with employable skills. Options for remote and distance learning also reduce student transportations costs and improve affordability.

PHINMA Education Schools are designed to promote active learning and enable students immediately complete courses with employable skills. In total, PHINMA Education Schools have fielded 101 board exam topnotchers since PHINMA Education's acquisition of its first school in 2004. In terms of employment, around 81% of graduates are accepted into their first job within one (1) year from graduation based on tracer studies.

Properties Group

The Company's Properties Group also operates in a competitive environment where there are numerous commercial developers, some of which may have greater resources and stronger market presence. Competition from other real estate developers may adversely affect PPHC's ability to develop and sell its properties, and continued property development by competitors could result in saturation of the market for real estate. As

developers compete for suitable parcels of developable land, it may become more difficult for PPHC to find suitable land at acceptable prices, particularly in Metro Manila and surrounding areas. To address this risk, PPHC is developing more projects outside Metro Manila such as in Cebu, Davao and Batangas, where it believes there are less competing developments.

PPHC mainly develops affordable medium-rise condominium units. PPHC employs its tunnel form system of construction as a competitive advantage, allowing the company to build the housing units faster compared to traditional construction methods, and in a cost-efficient manner. The Properties Group has shifted marketing efforts and processes to digital platforms to provide for a safe avenue for both buyers and sellers. The group is likewise exploring niche markets in the higher end market for horizontal developments. PPHC is also developing more horizontal projects outside Metro Manila where the company believes there are comparatively less competing developments.

Hospitality Group

The Hospitality Group, like the hospitality sector in general, faces several risks that may affect its ability to attract and maintain business and leisure travelers.

The Company has investments in Microtel by Wyndham Mall of Asia and TRYP by Wyndham Mall of Asia, both located in the Mall of Asia complex in Manila City and hence competes with a number of hotels with similarly-priced accommodations due to the robust activity in the area owing to close proximity to (i) convention centers (ii) Ninoy Aquino International Airport, (iii) Aseana City, (iv) Entertainment City adorned by casinos, amusement parks and theaters, and (vii) Mall of Asia Complex.

The Company's hotels developed strategic relationships with corporate accounts for group bookings, functions, and long-staying guests. Hotel management also employed digital platforms to maximize online bookings and optimize room revenues, and continues to provide competitive accommodation value at the given price point.

4. Market Risk

Construction Materials Group

The Company primarily serves the construction industry and by extension the infrastructure and real estate sectors. Growth in these key industries may be affected by certain factors including market trends, overall economic growth and government policy. The strong consumption of construction materials in recent years may be affected by a national economic downturn, such as that caused by the ongoing COVID-19 pandemic, leading to the delay of construction projects and real estate developments. A change in government policy and lowered budget spending on infrastructure may also lead to lower sales growth.

The Construction Materials Group will continue to optimize its nationwide distribution area to serve the needs of its customers, delivering high quality products at value for money pricing strategies.

Education Group

A recession or decline in disposable income caused by the pandemic or other factors may reduce demand for affordable education. A discontinuation of the Senior High School Voucher Program and government subsidy for tertiary education may adversely impact the number of enrollees in PHINMA Education Schools.

Despite the onset of the pandemic, PHINMA Education has managed to register local system-wide student enrolment of 71,659 for school year ("SY") 2020-2021, a modest decrease by 3.41% compared to 74,187 for SY of 2019-2021. Additional support to students is provided through PHINMA Education's expanded financing options with loan options available for longer tenures, as well as scholarship programs.

Properties Group

A recession or decline in disposable income caused by the pandemic may result in a decline in demand for real estate. Though the pandemic has affected disposable income, PPHC has observed increased demand in the younger and single demographic, as these segments assign renewed interest in and priority to home ownership in the new work from home environment. PPHC continues discussions with the Pag-IBIG to further streamline

loan availment process to ensure financing is available and its homes are affordable for the target buyers. The group continues to employ digital sales channels and processes to serve the market in a safe manner.

Hospitality Group

The risks of attracting and maintaining business and leisure travelers magnified during the onset of the COVID-19 pandemic, which has severely reduced occupancy and patronage of hotels and resorts, forcing some of them to limit or even close operations. The two hotels likewise developed advanced agreements with key accounts to serve as BCM sites in order to support business continuity and smooth operations. These agreements supported the quick shift in operations early in the pandemic, to be able to serve the needs of these large corporate clients.

During the pandemic, the two hotels also served as quarantine facilities for returning Overseas Foreign Workers ("OFW") under the Overseas Workers Welfare Administration ("OWWA") repatriation program. There are several hotels in the area that also serve as quarantine facilities that compete for the same returning OFW market, but Microtel Mall of Asia and TRYP by Wyndham Mall of Asia still enjoy strong occupancy levels.

In the event there is a decrease in returning OFWs but travel and restrictions continue to impact the demand for tourist accommodations, the liquidity position of the two hotels could deteriorate, affecting the hotels debt service capacity.

To address this, the two hotels have reduced operating expenses and are restructuring existing loans to cope with the challenges faced by the tourism industry. The hotels continue to pursue corporate accounts for their quarantine requirements and readily equipped to serve local and foreign travelers once restrictions on travel are lifted.

5. Regulatory Risk

Construction Materials Group

The Construction Materials Group relies heavily on the importation of inputs including cement and steel roofing raw materials. Any new taxes on these inputs or other new forms of non-tariff import restrictions may increase prices, reduce market demand and adversely affect the business and financial performance of the Construction Materials Group.

In 2019, the Department of Trade and Industry ("DTI") imposed a definitive safeguard duty on imported cement for three years. A safeguard duty of ₱10.00, ₱9.00 and ₱8.00 per 40-kg bag of imported cement for the first, second and third year will be imposed to redress serious injury in the domestic industry. The imposition of these tariffs is subject to periodic reviews and may be extended or shortened as the government sees fit. To the extent that these tariffs increase prices on imported cement, Philcement's ability to provide competitive pricing may be adversely affected.

Philcement has filed a case with the Court of Tax Appeals ("CTA") opposing the safeguard taxes, maintaining that local cement manufacturers were not unduly harmed by cement imports. Philcement, together with other importers, continues to lobby for removal of cement import taxes which may increase the price of cement to the detriment of consumers and the construction industry. To further mitigate this risk, Philcement has also initiated projects over a medium-term horizon which will enable the company to produce blended cement product domestically

At the UGC level, DTI has received an application for safeguard tax protection from two local manufacturers claiming import protection in the galvanized roofing category, where UGC is also present. To mitigate this risk, UGC has the flexibility of activating its existing galvanized line to locally produce its own galvanized roofing. UGC, together with other steel roofing importers, continues to lobby against safeguard duties and has also submitted a position paper to the DTI against the proposed safeguard taxes to protect consumer interests.

The Construction Materials Group operates production facilities that are subject to environmental regulations with terms specified in the Environmental Compliance Certificates ("ECCs") granted by the Department of Environment and Natural Resources ("DENR"). Although the companies exert due diligence in ensuring their facilities comply with these terms, any violation of ECC terms may require the company involved to pay a fine or incur costs in order to cure the violation. There can be no assurance that current or future environmental laws and regulations

will not increase the costs of conducting businesses. The introduction of new environmental laws and regulations applicable to the business could have a material adverse effect on the financial results of the business.

Education Group

The ability to raise additional equity financing from non-Philippine investors is restricted by the foreign ownership restrictions imposed by the Constitution and applicable laws. The Constitution prescribes that educational institutions shall be owned solely by citizens of the Philippines or corporations or associations at least sixty percent (60%) of the capital of which is owned by such citizens, except for educational institutions established by religious groups and mission boards.⁵

The extended suspension of face-to-face classes due to the ongoing COVID-19 pandemic may adversely impact the financial and operating performance of PHINMA Education. PHINMA Education has adjusted its operations by piloting its new Flex Learning and Remote and Distance Learning programs. These remote learning programs are newly introduced, and their effectiveness compared to face-to-face classes are regularly being assessed and improved. To mitigate possible issues, PHINMA Education is conducting more frequent consultation with students and teachers and periodically adjusts the programs based on early feedback. The Flex Learning program also provides the flexibility to transition to face-to-face classes as these are gradually allowed.

PHINMA Education continues to ensure compliance with the program and curriculum guidelines and requirements of the Commission on Higher Education (“CHED”), Department of Education (“DepEd”) and Philippine Accrediting Association of Schools, Colleges and Universities (“PAASCU”). PHINMA Education also continuously engages in dialogue with CHED and other regulatory bodies, and coordinates with other educational institutions to develop guidelines for remote learning in the country.

Properties Group

The Constitution limits ownership of land in the Philippines to Filipino citizens, or to corporations the outstanding capital stock of which is at least sixty percent (60%) owned by Philippine nationals. While the 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 forty percent (40%). Therefore, ability to raise additional equity financing from foreign investors is limited by the foreign ownership restrictions imposed by the Constitution and applicable laws.⁶

The Properties Group is also subject to a range of government regulations including zoning restrictions, environmental permits, and construction related permits, among others. There are no assurances that property development companies will be able to obtain government approvals for their projects, or that these approvals can be secured without delays, or that these approvals will not be revoked. Property development companies are also required to obtain licenses to sell before making sales. Project permits and licenses to sell may be revoked by the Department of Human Settlements and Urban Development (“DHSUD”) based on its own findings or complaints by interested parties and there can be no assurances that real estate companies receive all required approvals, permits, or licenses, or that these approvals, permits or licenses will not be cancelled or suspended.

Real estate developments are likewise required to adhere to environmental terms specified in the initial ECCs granted by the DENR prior to approval of construction, to comply with existing environmental regulations. There can be no assurance that current or future environmental laws and regulations applicable to the real estate companies will not increase the costs of conducting businesses.

PPHC keeps itself abreast of sustainable technologies that would enable it to implement existing environment and safety laws and regulations at cost-efficient means. While the government may without notice or consultation change or increase the regulatory requirements for real estate projects, the company exerts earnest efforts to secure and maintain all relevant and material permits and licenses required under such laws and regulations for its projects. The company also actively participates as a member of the Subdivision and Housing Developers

⁵ Section 4(2), Article XIV of the 1987 Philippine Constitution.

⁶ Sec. 2, Article XII of the 1987 Philippine Constitution.

Association (“SHDA”), the largest multi-market segment developers association, in dialogue and advocacy with relevant government agencies.

Hospitality Group

The two investee hotels of PHINMA, Microtel Mall of Asia and TRYP Mall of Asia, have been accredited by the Department of Tourism (“DOT”) and Department of Health (“DOH”) and are currently operating as quarantine hotels under the OFW repatriation program of the OWWA. Inability by the Hospitality Group to comply with the new guidelines may be cause for the suspension of operation of these hotels.

To address this risk, Microtel by Wyndham Mall of Asia and TRYP by Wyndham Mall of Asia have enhanced their health & safety protocols and continues to comply with the evolving guidelines set by the National Inter-Agency Task Force (“NIATF”) on Emerging Infectious Diseases, DOH, DOT and the local government units.

6. Supply Chain Risk

Construction Materials Group

Philcement relies heavily on the importation of cement and cement materials. Philcement procures majority of its cement and cement materials from Vietnam. Any disruption in the supply of cement from Vietnam may have a material adverse effect on the operations and financial performance of Philcement. In addition, any prolonged disruption in supply of imported cement could adversely affect Philcement’s relationships with key customers, including large cement dealers and retailers.

Philcement is free to source cement from other parties to ensure reliability in its supply chain. To diversify supply, Philcement has developed cement supply arrangements with another supplier in Asia, and continues to explore other sources of cement supply. There are key projects under evaluation which will provide the flexibility and capability to competitively produce cement domestically.

Philcement’s supply chain can also be adversely affected in the event of a disruption in operations in its unloading port in Bataan, which may render it non-operational due to accident or other event of Force Majeure.

At the UGC level, although the company imports both raw materials and finished products primarily from Chinese suppliers, the China steel industry is diverse to the point that there is no material risk posed by supply disruption from any single supplier.

As the business of Construction Materials Group involves importation of raw materials for manufacturing inputs, changes in global oil prices can have a significant impact on transportation costs, impacting the margins and pricing for both UGC and Philcement products. To mitigate this, Construction Materials Group has long term vendor contracts with vessel companies to smoothen out the effect of volatility in oil prices.

The Company does not foresee any material supply chain risk for the Education Group, Properties Group and Hospitality group.

7. Subsidiary Cashflow Risk

Construction Materials Group

The Construction Materials business of the Group sells products through large distributors and to institutional buyers. Collection from customers may be adversely affected due to factors beyond the Construction Materials Group companies’ control such as, but not limited to, owners’ changes or dispute in billing, inability of the customers to secure financing, or sudden insolvency or bankruptcy of customers. Although there are policies to limit credit risk and while the Construction Materials Group has enjoyed strong collections despite the pandemic situation, there is no guarantee that its respective customers will continue to pay in a timely manner. There is likewise an increased risk that customers may experience cashflow difficulties and default on their payment obligations.

To manage this risk, the Construction Materials Group conducts regular reviews on the financial reliability of its customers. The Construction Materials Group only transacts with duly evaluated, creditworthy third parties, subject

to credit verification procedures. The Credit Risk Management Group (the “Credit Group”) conducts credit analysis for all accounts at the start of the accreditation process and also on a regular basis. To ensure that the evaluation is complete, the Credit Group performs internal reviews based on data and documents collected as well as utilizes credit reports of third parties. Trade and bank checks are also done in order to complete the background verification. The Credit Group also visits the customers when possible and coordinates with the Sales Team to check the status of the customers business and their project pipelines.

Receivables, credit terms, credit limits, and past due balances are monitored on a regular basis to reduce exposure to bad debts. The companies under the Construction Materials Group constantly monitor their credit risk exposures. While risks are inherent to this business segment, the Construction Materials Group does not expect any wholesale failure of its counterparties to meet their payment obligations. Furthermore, the companies in the Construction Management Group have no significant concentration of credit risk with any single counterparty or group of counterparties.

Education Group

A decline in disposable income, such as may be caused by the pandemic, may constrain students to defer expenditures on education. Additionally, a substantial portion of PHINMA Education students avail of the senior high school vouchers and the Tertiary Education Subsidy from the government, and so any delay in the release of these subsidies may adversely affect PHINMA Education’s cashflow. A decline in demand and delays in collections from students and government agencies may have a material adverse effect on the business segments’ cash inflows.

To mitigate this risk, students who qualify for government subsidies receive full assistance from the relevant PHINMA Education school, in applying for the grant. The schools under PHINMA Education also work closely with the local CHED and DepEd offices to ensure that all the students’ documentary requirements are met.

Properties Group

Majority of PPHC’s sales are from the affordable segment where buyers avail of Pag-IBIG financing. Qualified buyers go through a loan application process and loan proceeds are released by Pag-IBIG directly to PPHC after a certain curing period. There are numerous documents and approvals involved in the process prior to release of the funds. In the event loan approvals are delayed due to deficiencies in requirements or delays in processing, an example of which is the restrictions in mobility or the closure of the involved government offices due to the pandemic, PPHC may be forced to extend longer payment terms to its buyers, thereby significantly tightening its cashflow.

To mitigate this risk, PPHC is in continuous discussion with Pag-IBIG to further streamline the loan approval process and has also recently been granted a credit facility with the Pag-IBIG. The company has also been in active discussion with banks for Contract to Sell (CTS) financing and has established receivables financing lines with private banks.

PPHC does not offer in-house financing to its customers, majority of whom avail of Pag-IBIG financing. PPHC’s customer receivables are limited to short-term installment payments for the down payment portion of the units purchased. In case of default, 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. During the grace period, the buyer may pay the unpaid installments due, without additional interest. Buyers who have paid less than two years of installments are given a 60-day grace period to pay all unpaid installments after which the sale is cancelled and all payments are forfeited without any right of refund. PPHC is then free to sell the units to other customers. In general, PPHC has not experienced any difficulty reselling cancelled units to new customers.

Hospitality Group

Continuing travel restrictions brought about by the ongoing COVID-19 pandemic may have a negative impact on the demand for tourist accommodations and the liquidity position of Microtel Mall of Asia and TRYP Hotel Mall of Asia, and thereby have a material adverse impact on their operating and financial performance.

To mitigate this risk, PHINMA Hospitality has reduced operating expenses at the two hotels and also negotiated

with creditors to revisit terms of its existing loans. The hotels have been able to maintain a cash positive position despite the decrease in revenues.

Overall, PHINMA Hospitality ensures a certain level of cash is available to support the continued operations of the various business units. It also made sure that working capital lines are available with banks, which the business units may access when needed. At the holding company level, any excess cash is invested in liquid assets. As of December 31, 2020, PHINMA recorded ₱2.89 billion in cash and cash equivalents and ₱2.13 billion in investments held for trading.

8. People Risk

The current and future performance of the Company depends on the expertise, experience, and continued service and employment of its senior management and key officers. The loss of the services of key officers or members of the management team could result to disruption in the operations of the Company and may delay the execution of its business plans and growth strategies.

To mitigate this risk, the Company has adopted a succession plan by identifying members of the management team who will be able to assume and take on the role and additional responsibilities arising from departures of existing members. The Company has also established organizational policies and procedures for the development and advancement of its employees to ensure that business continuity is done by employees with superior skills and talent thereby diminishing overdependence on key individuals in the Company.

Operations of the businesses can be substantially affected by a pandemic outbreak affecting the health of employees, clients, customers, or students at the various sites including manufacturing plants, warehouses, schools, affordable housing developments, hotels, and head offices. In general, on-site work by employees has been limited, where possible, through work-from-home arrangements. While operations are, to the extent possible, managed remotely. PHINMA has taken measures to ensure that the facilities are safe and that employees, students, and customers will be assured of their well-being should they need to visit or use the facilities. In general, PHINMA has implemented thermal-scanning and other controls at all designated entrances and exits, and other sanitation and social distancing protocols including directional passageways and signs, and disinfection stations. Masks and appropriate face coverings are required in all facilities, and all facilities adhere to local government protocols.

The Company further recognizes the need to support physical, psychological and mental wellbeing. The program My Wellness Journey, aims to address all of these concerns. Employees are given access to professional support for mental wellness and psychological safety, while physical well-being is promoted on a regular basis with various programs across the Group.

9. Execution Risk

The Company intends to pursue its long-term growth strategy through expansions and acquisitions, some of which may not be executed properly or may even have an adverse effect on the existing profitability and financial condition of the Company.

Various proposed projects under the Construction Materials Group, which represent 50% of the total use of proceeds of the Bonds, are still under evaluation and are subject to approval of the respective Board of Directors. As such, any cancellation or delay in implementation of these projects could result in a delay in the use of the Bond proceeds.

The use of funds and the timeline set for the expansion and acquisition projects may be affected by factors which are generally beyond the control of the Company, such as, but not limited to: (i) delays in obtaining all necessary location, zoning, land use, building, development and other required governmental and regulatory licenses, permits, approvals and authorizations; (ii) delays in construction due to fortuitous events and unforeseen technical delays and engineering difficulties; and (iii) an increase in the cost of construction and building materials due to global and local economic changes. Moreover, the process of integrating any acquisitions into the Company may not be executed properly, and may result in prolonged and costly delays in integration that may have a material

adverse impact on existing or anticipated business and financial performance. Any cost overruns could also increase the risk that there would be insufficient funds to complete the projects.

Any plan for expansion or acquisition undergoes a comprehensive due diligence and stringent investment review process, recommendation by senior management and approval by the Board. Historically, the Company has been able to improve both physical facilities and the quality of course offerings, which resulted in better marketability of the programs and increased enrolment for the PHINMA Education Schools. This is further validated by new foreign institutional investors in the education group. PHINMA is likewise making a strong comeback in the cement industry through its state-of-the-art cement processing plant in Mariveles, Bataan, as proof of strong management excellence of the leadership team backed by the extensive experience of its key officers such as President Eduardo Sahagun who served as the CEO of Holcim Philippines Inc. from 2013 to 2017.

On the properties business, execution and construction defects may result in building-related claims which may be asserted against PPHC. Significant claims arising from structural or construction defects could have a material adverse effect on PPHC's, reputation and business, financial condition and results of operations. To mitigate this risk, the Properties Group prudently selects its network of accredited contractors, and monitors the development of each project from project inception up to project turnover.

Management teams continue to work with the Properties Group and the Hospitality Group to strategically and properly execute targets and key improvements in operations. The Company also conducts bi-annual strategic planning sessions with all the business units to ensure overall alignment, optimum efficiency, and synergy among the groups and holding company.

10. Dependence on Key Facilities and Equipment

Construction Materials Group

A substantial portion of UGC's income is derived from the sale of products produced or processed at UGC's production facilities. Any breakdown of, or significant damage to, UGC's production facilities could have a material adverse effect on the results of its operations. UGC maintains comprehensive property and casualty insurance policies on its production facilities under a broad name peril policy. However, there is no assurance that the proceeds from UGC's insurance policies would be sufficient to insulate UGC from all effects of possible total loss or damage caused by the named perils in the respective policies. In addition, UGC has adopted a risks management system covering preventive and preparedness action plans.

Philcement derives its revenues and income from the sale of cement products. Any breakdown of, or significant damage to, Philcement's materials handling and processing facilities could have a material adverse effect on the results of its operations. While the equipment is still under warranty, substantial downtime could affect the efficiency of operations and attainment of financial goals and objectives. To mitigate risk of equipment failure, Philcement maintains multiple units for key items of equipment such as cement storage silos, mechanized cement packers, and truck loaders.

Hospitality Group

The income of the Hospitality Group is derived from hotel operations at the various hotel sites, which all comply with local fire protection standards. The hotels have adequate insurance protection, with coverage including property all risk insurance and fire and allied perils.

Education Group

The income of the Education Group is derived from education operations at various school locations. Risk of a halt in operations due to fire or calamity is mitigated to the extent all the schools currently employ remote learning models. The schools similarly have insurance protection, with coverage including property all risk insurance and fire and allied perils.

11. Dependence on Logistics

For the Construction Materials Group in particular, the business relies on the orderly and timely movement of imported inputs such as cement and steel coils into the facilities, as well as the orderly and timely dispatch of

finished products to customers or warehouses. Thus, the business is highly dependent on the reliability of owned, as well as leased, logistics facilities and equipment including ship unloading equipment, warehouses, cement storage silos, ships, and trucks. Any event which causes damage or renders inoperable key logistics components such as piers or major roads could substantially affect business operations of the Construction Materials Group. In addition, any increase in third-party-provided logistics services, including international shipping and freight costs, could also effectively increase raw materials costs and reduce profit margins for the Construction Materials Group.

The Construction Materials Group companies maintain adequate level of insurance coverage over the facilities involved.

12. Dependence on Weather

Construction Materials Group

Severe weather disturbances can affect the loading and unloading of cement at Philcement the Mariveles Cement Facility I. Vessels cannot be loaded, transported, or unloaded over the duration of the severe weather disturbance. Prolonged or frequent weather disturbances could delay inbound material shipments which could reduce the inbound capacity of the terminal resulting in reduced sales for Philcement. Weather disturbances can also delay outbound overland shipments to customers resulting in failure to meet delivery schedules.

To mitigate this risk, Philcement contracts larger vessels more capable of withstanding turbulent weather. Philcement is also developing relationship with cement suppliers from other countries to diversify supplier base as well as geographic region.

Weather disturbances can also delay inbound shipments of raw materials to UGC as well as outbound delivery of finished products to customers. UGC relies on several third party operated ports for inbound shipments to reduce risk from weather disturbances and also performs seasonal planning and stocking to mitigate supply outages. The adverse effect of weather disturbances on outbound deliveries is also reduced due to UGCs nationwide network of roll forming facilities and warehouses, which reduces distance to customers and provides an available amount of finished goods inventory. UGC also tends to sell more steel roofing in the wake of weather disturbances in the Philippines involving strong winds which increases the demand for roofing around the country.

Education Group

The Education Group is likewise affected by weather disturbances to the extent such disturbances affect the holding of face-to-face classes at each particular location. This is mitigated to the extent that all the schools currently employ some form of remote learning where the students do not attend face-to-face classes. The schools have also historically acted as local typhoon relief and evacuation centers in their particular communities.

Hospitality Group

The Hospitality business is affected by weather disturbances to the extent that the room demand at the two hotels operating in the Manila Bay area are affected by weather conditions restricting local and tourist travel. During periods of low occupancy, the Hospitality Group employs dynamic pricing, adjusting prices down to stimulate room demand.

13. Information Security Risk

In conducting their businesses, the business segments are required to retain confidential information from customers. Although the business segments take the necessary precautions to secure such information, advances in the field of cryptography and increased exposure due to the recent prevalence of online transactions could result in compromise or breaches of security systems and personal data stored in our systems. The security measures set up by the Company and/or its subsidiaries may be inadequate to prevent security breaches which could adversely affect business operations.

The Company and its subsidiaries take precautions to protect the personal information of its customers through existing, periodically updated, and centrally approved IT security policies, the effectivity of which are measured through defined metrics. These policies are implemented by the respective IT teams of the Company and each

of the subsidiaries. In addition, the Company and its subsidiaries have various information security software and tools, including firewalls, anti-virus, and 2-FA (2-Factor Authentication). IT risk assessment is periodically conducted using vulnerability assessment and penetration testing tools to check the vulnerability of the Company's and the subsidiaries' IT systems and network. Finally, information security awareness and training are also provided to all employees.

RISKS RELATED TO THE PHILIPPINES

1. Extended Global Pandemics

In December 2019, the World Health Organization ("WHO") reported clustering of pneumonia cases in Wuhan City from the Hubei province of China. WHO identified this virus as the 2019 Novel Coronavirus Acute Respiratory Disease, which was later renamed as Coronavirus Disease 2019 or COVID-19.

In January 2020, the NIATF, comprised of several executive department of the National Government and chaired by the DOH was convened to address the growing viral outbreak. On January 30, 2020, the DOH confirmed the first COVID-19 case in the Philippines. The outbreak was declared a Public Health Emergency of International Concern by the WHO on 31 January 2020. On February 2, 2020, the President approved the temporary ban of entry of any person who have recently traveled from China and its Special Administrative Regions, except Filipinos and Permanent Resident visa holders.

On March 12, 2020, President Rodrigo Duterte ordered strict community quarantine in the National Capital Region ("NCR") from March 15 until April 12, 2020, suspending all classes and government work in NCR. On March 16, 2020, the President declared a State of Calamity in the country for the next six months by virtue of Proclamation no. 929 and announced that the entire Luzon will be under enhanced community quarantine ("ECQ"), significantly restricting travel to and from the capital, prohibiting mass gatherings, ordering the closure of establishments other than essential goods and services, and limiting work operations of most industries. The ECQ was slated to run from March 17 to April 13, 2020, but was then extended until May 15, 2020 for NCR and select provinces, which continue to be considered high-risk. On March 24, 2020, Republic Act No. 11469 or the Bayanihan to Heal as One Act ("Bayanihan Act") granting the President additional authority to combat COVID-19 pandemic was signed into law.

On June 1, 2020, NCR shifted to General Community Quarantine ("GCQ") which entails the implementation of temporary measures limiting movement and transportation, regulation of operating industries, and presence of uniformed personnel to enforce community quarantine protocols.

Starting March 29, 2021 until April 11, 2021, Metro Manila and nearby provinces of Bulacan, Cavite, Laguna and Rizal ("NCR Plus") were again placed under ECQ as a result of the exponential rise in COVID-19 cases. The Philippine government subsequently downgraded the community quarantine classification to MECQ in NCR Plus and select provinces.

During MECQ, select business activities of the Group may be adversely affected.

Considering the serious alarm caused by the COVID-19, there is a strong likelihood that certain industries such as tourism and hospitality will suffer long-term impact on their business prospects. The Philippines has been a tourist destination for years and has been a hub for foreign investors, especially with the improved relations with China. Select hotel chains and restaurants have since ceased operations indefinitely due to the uncertain future amid the virus outbreak. The Luzon-wide lockdown has led to over 30,000 canceled flights and affected five million passengers according to the Air Carriers Association of the Philippines.

The National Government's Build, Build, Build Infrastructure Program is also undergoing review to give way to projects that would have bigger impact on reviving the economy reeling from the COVID-19 pandemic. The National Government will reprioritize the budget to give more space to digital and health infrastructure.

There is no guarantee that the economy will recover immediately after the lifting of the GCQ. Most of the sectors

in the economy still observe social distancing measures which would result in operation at a limited capacity. Additional costs may be incurred as timetable for some, if not for most, of PHINMA's projects might take longer to implement due to implementation of these social distancing protocols.

Additional details on the Group's plans to combat the effects of the extended global pandemics are further described in "*Description of Business - Response to COVID-19 Pandemic*".

2. Territorial Disputes

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 January 2013, the Philippines lodged an arbitration case against China at the Permanent Court of Arbitration in The Hague to resolve the territorial dispute. China refused to recognize that the international tribunal had jurisdiction over the case. In July 2016, the international tribunal ruled in favor of the Philippines in its case against China by upholding the position that China's "nine dash line" maritime claim is excessive and that it encroached into the Philippines' 200-nautical mile exclusive economic zone. It held that China had no legal basis to claim historic and economic rights to resources within the sea areas falling within the "nine-dash line".

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. 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 business, financial condition and results of operations of the Company and its Subsidiaries.

3. Political and Social Instability

The Philippines has from time to time experienced severe political and social instability. The 1987 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 have been instances of political instability, including public and military protests arising from alleged misconduct by the previous administration.

According to Human Rights Watch, between the beginning of President Rodrigo R. Duterte's term and December 31, 2017, more than 12,000 alleged drug dealers and users were killed, an estimated 4,000 of which were by police officers during police operations and the remainder were killed by unidentified gunmen. In May 2017, President Duterte also declared martial law over the island of Mindanao in response to the armed takeover of Marawi City by militants, but the declaration which was lifted on January 1, 2020.

In May 2018, the Supreme Court ousted former Chief Justice Maria Lourdes Sereno for betrayal of public trust, corruption, and other alleged criminal violations. Such a removal of a supreme court justice followed another similar ousting in 2012, when the Senate, sitting as an impeachment court, likewise ousted predecessor Justice Renato Corona for failure to fully disclose his wealth.

The Manila Regional Trial Court, Branch 46, convicted chief executive of online news site Rappler, Maria Ressa and former researcher-writer, Rey Santos, Jr. over cyber libel charges, with an indeterminate sentence corresponding to a maximum of 6 years of imprisonment. The arrest and subsequent conviction of these critics of the government highlights the ability of the government to silence critical press coverage against President Rodrigo Duterte and his administration.

On July 3, 2020, President Duterte signed into law Republic Act No. 11479 or the Anti-Terrorism Act of 2020 which was seen to open the door to arbitrary arrests of those critical of the government. Moreover, the Duterte administration is pushing for a shift to a federal form of government. For this purpose, the President created a consultative committee to review the 1987 Constitution and draft a federal constitution. Moreover, the Duterte

administration is pushing for a shift to a federal form of government. For this purpose, the President created a consultative committee to review the 1987 Constitution and draft a federal constitution.

In February 2020, the Duterte Administration sent a notice of termination to the United States (“US”) government notifying the latter of the Philippine government’s intention to terminate the Visiting Forces Agreement (“VFA”) to which both countries are party to. Following this notice, termination of the VFA is set to take place within 180 days from receipt by the US government and if pursued, could mean a reduced presence of US military presence not only in the Philippines but in the region.⁷ On June 1, 2020, the National Government suspended its plan to abrogate the VFA with the US for at least six months.

The Philippines remains vulnerable to severe political and social instability, including public and military protests arising from alleged misconduct of high-ranking government officials in both the current and past administrations. There is no guarantee that future events will not cause political instability in the Philippines. Such political instability may disrupt the country and its economy, which could materially and adversely affect the Company’s business, financial condition and results of operations.

4. Impact of CREATE Law

The President of the Philippines signed into law the Tax Reform for Acceleration and Inclusion or Republic Act No. 10963 (“TRAIN Law”) on December 19, 2017, which took effect on January 1, 2018. The TRAIN Law amends certain provisions of the Tax Code and is the first package of the Comprehensive Tax Reform Program (“CTRP”) of the Duterte administration. Package 2 under the CTRP is Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprise Act (“CREATE Law”). The CREATE Law was signed by the President on March 26, 2021 and became effective on April 11, 2021.

The CREATE Law aims to incentivize businesses by reducing corporate income tax, among others. Upon the effectivity of the CREATE Law, the following amendments introduced by the CREATE Law to the Tax Code will have a material impact on the Group include the following:

- a. For domestic corporations with net taxable income of more than ₱5 Million and total assets (excluding land on which the corporation’s office, plant, and equipment are situated) of more than ₱100 Million shall be subject to a reduced corporate income tax rate from 30% to 25% with retroactive effect from July 1, 2020.
- b. Foreign sourced dividends shall only be exempt from taxation if (1) the funds from such dividends actually received or remitted into the Philippines are reinvested in the business operations of the domestic corporation within the next taxable year from the time the foreign-sourced dividends were received and shall be limited to funding the working capital requirements, capital expenditures, dividend payments, investment in domestic subsidiaries, and infrastructure projects; provided that the said domestic corporation holds directly at least 20% of the outstanding shares of the foreign corporation and has held the shares for at least two (2) years at the time of the dividend declaration.
- c. Minimum corporate income tax shall be imposed on domestic and resident foreign corporations at a rate of (i) 1% of gross income effective July 1, 2020 until June 30, 2023, and (ii) 2% thereafter;
- d. Regional operating headquarters shall pay a tax of 10% of their taxable income and shall be subject to the regular corporate income tax of 25% effective December 31, 2021; and
- e. Nonresident foreign corporations shall pay a reduced corporate income tax of 25% from a previous rate of 30%, with retroactive effect from January 1, 2021.

⁷ Rappler, “Philippines sends VFA notice of termination to U.S.”, available at <https://www.rappler.com/nation/251508-philippines-terminates-visiting-forces-agreement-united-states> (last accessed February 16, 2020)

The CREATE Law likewise rationalizes income fiscal incentives, making them time-bound, targeted, and performance-based. Enterprises that were granted tax incentives prior to the CREATE Law are given a sunset period to avail of those incentives after the effectiveness of the CREATE Law.

Consequently, upon the effectivity of the CREATE Law, tax incentives enjoyed by certain members of the Group will expire within the applicable sunset period, and after such expiration the regular corporate income tax rate will apply. As a result, tax expense of affected members of the Group would increase, and their respective profitability would decrease. The expiration and non-renewal of tax incentives, the enactment of any new laws, and any associated impact on the Group, could have a material adverse effect on the Group's business, financial condition and results of operations.

Under the CREATE Law, the tax rate for "proprietary educational institutions and hospitals which are non-profit" was reduced from ten percent (10%) of taxable income to one percent (1%) for the period July 1, 2020 to June 30, 2023. The educational institutions which are subsidiaries of PHINMA Education should and will thus benefit from the said reduced rate as they are all proprietary (or privately-owned) educational institutions. However, on April 8, 2021, the BIR issued the Implementing Regulations of the CREATE Law (BIR Revenue Regulation No. 05-2021) where "Proprietary Educational Institutions" is defined as being non-profit, contrary to the CREATE Law itself.

The Revenue Regulations will in effect increase the tax rate of private educational institutions from the current ten percent (10%) to twenty-five percent (25%) which is not consistent with the CREATE Law. The subsidiary schools of PHINMA Education have joined other educational institutions in challenging the said Revenue Regulations.

On July 26, 2021, the BIR issued Revenue Regulation No. 14-2021 which suspended the implementation of BIR Revenue Regulation No. 05-2021, pending the passage of appropriate legislation on the matter.

5. Foreign Exchange Risk

Majority of the Company's revenues are denominated in Philippine peso. Nonetheless, the Company has offshore transactions such as its U.S. dollar-denominated preferred share investment in Vietnam, investments in schools in Indonesia and Myanmar and sourcing of cement from Vietnam. The Company likewise has plans of expanding its footprint in Southeast Asia, thus exposing PHINMA to more foreign exchange risks.

At present, the country's exchange rate policy supports a freely floating exchange rate system whereby the BSP allows market forces, such as supply and demand, market-moving events, to dictate exchange rate movement. The implementation of the revised Foreign Exchange rules eased the purchase of foreign currencies in the banking system. There is no assurance that the Philippine Peso will not depreciate against other currencies.

To mitigate its exposure to exchange rate fluctuation, the exchange rate risks on other foreign currencies are managed through constant monitoring of the global political and economic environment and its impact on the foreign exchange rates. Additionally, the Company takes advantage of hedging instruments such as deliverable and non-deliverable forward contracts to mitigate said risks.

6. Sovereign Ratings Risk

The Philippines credit rating as of this date of the Prospectus are as follows:

Long-term credit rating	Fitch	Standard and Poor's	Moody's
Philippines	BBB; Stable Outlook	BBB+; Stable Outlook	BBB+; Stable Outlook
Latest update	10 Jan 2021	30 May 2020	17 July 2020

All ratings are above investment grade and the highest that the country has received so far.

The long-term sovereign credit ratings of the Philippines directly affect companies domiciled in the Philippines. There is no assurance that international credit rating agencies will maintain the credit rating of the Philippines in the future. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets,

the ability of the Government and Philippine companies such as PHINMA to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

RISKS RELATED TO THE BONDS

1. Liquidity Risk

The Philippine debt market is substantially smaller and less liquid in comparison with other securities markets. As with other fixed income securities, the Bonds could sell at prices higher or lower than the initial offering price due to prevailing interest rates, the Company's operations, the overall market for debt securities, political and economic developments in the Philippines and other regions, among others. It is possible that a selling Bondholder would receive sales proceeds lower than his initial investment should a Bondholder decide to sell his Bonds prior to the relevant Maturity Date. Even if the Bonds are listed on the PDEx, the market for the Bonds may be volatile and illiquid at times depending on capital market conditions, and there is no assurance that the Bonds may be easily traded or sold at prices and volumes desired by Bondholders.

2. Reinvestment Risk

Upon the occurrence of certain events such as a change in Philippine tax or regulatory laws or their general application or interpretation having an effect on the Company, the Bonds could be redeemed in whole but not in part prior to the maturity dates. There is no assurance that the Bondholders will be able to reinvest in alternative securities with comparable yields.

3. Credit Risk

The Company will be required to redeem the Bonds on Maturity Date. It might be that, at Maturity Date, the Company may not have sufficient cash on hand or may not be able to arrange the financing to redeem the Bonds, or redeem the Bonds in time, or on acceptable terms. The Company's ability to redeem the Bonds in such an event may also be limited by the terms of the other debt instruments of the Company. The Company's failure or inability to repay or redeem the Bonds would constitute an event of default under the Bonds, which could lead to a default under the terms of PHINMA's other debt agreements.

4. Retention of Ratings Risk

There is no assurance that the credit rating of PRS Aa will improve or be maintained throughout the life of the Bonds. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

In May 2021, PhilRatings assigned a credit rating of PRS Aa with a Stable outlook on the Bonds. Obligations rated PRS Aa by PhilRatings are of high quality and are subject to very low credit risk. According to PhilRatings, this signifies that the Company's capacity to meet its financial commitments is very strong.

The PhilRatings report dated May 7, 2021 noted volatile net income for the Company from 2016 to 2020 due to non-operating items such as foreign exchange gains and losses and net earnings (losses) of associates. Although forecasted debt to equity and total debt to capitalization ratios are expected to improve in 2024 and 2025, PhilRatings has noted that these 2024 and 2025 ratios are still below historical levels for the Company.

5. Failure to List

The Company will file an application for the listing of the Bonds on PDEx. However, there is no assurance that such a listing will be achieved either before or after the intended issue date of the Bonds or whether such listing will materially affect the liquidity of the Bonds on the secondary market. Such listing will be subject to the Company's execution of a listing agreement with PDEx that may require the Company to make certain disclosures, undertakings and payments on an ongoing basis.

VII. USE OF PROCEEDS

Following the offer and sale of the Bonds in the amount of ₱3.00 billion (assuming full exercise of the Oversubscription Option), the Issuer expects that the net proceeds of the Offer shall amount to approximately ₱2.95 billion after fees, commissions and expenses. The net proceeds from the issue of the Bonds, without the Oversubscription Option is approximately ₱1.96 billion after fees, commissions and expenses.

Net proceeds from the Offer are estimated as follows:

Item	Base Offer	With O/S
Estimated Proceeds	2,000,000,000	3,000,000,000
Less:		
Issue Management and Underwriting Fee	11,000,000	16,500,000
Documentary stamp taxes to be paid	15,000,000	22,500,000
SEC Registration Fee	1,312,530	1,312,530
SEC Legal Research Fee	13,125	13,125
PDEX Listing Application Fee	200,000	200,000
Legal and other professional fees	5,000,000	5,000,000
Ratings Fee	1,825,600	2,745,120
Trust Opening Fees	50,000	50,000
Registry Account Opening Fees	42,000	42,000
Out-of-Pocket-Expenses	1,000,000	1,000,000
Total estimated fees, commissions and expenses	35,443,255	46,362,775
Estimated net proceeds	1,964,556,745	2,950,637,225

Aside from the fees enumerated above, the Company will be paying the following estimated annual fees related to the Bonds:

1. PDEX annual listing maintenance fee of up to ₱300,000.00, (VAT-exclusive);
2. Annual Philratings monitoring fees of up to ₱336,000.00, (VAT-inclusive);
3. PDTC registry maintenance annual fee of ₱250,000.00;
4. PDTC paying agent annual fee of ₱400,000.00; and
5. Bond trusteeship quarterly fee of ₱40,000.00.

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

Net proceeds amounting to approximately ₱1.96 billion, assuming an Issue size of ₱2.0 billion, or ₱2.95 billion, assuming the full exercise of the Oversubscription Option, will be used to refinance Philippine peso-denominated obligations, and capital expenditures as set out below, in the following order of priority:

Type	Base Offer - Amount (₱Bn)	Base Offer with Oversubscription Option - Amount (₱Bn)	Schedule of disbursement
<i>Investments in strategic business units</i>	₱1.00	₱2.00	beginning in 4Q2021 until 3Q2022
<i>Repayment of short-term debt obligations</i>	₱0.25	₱0.25	by 3Q2021

Type	Base Offer - Amount (₱Bn)	Base Offer with Oversubscription Option - Amount (₱Bn)	Schedule of disbursement
<i>General corporate expenses</i>	₱0.71	₱0.70	until 4Q2022
Total	₱1.96	₱2.95	

The net proceeds allocated for Investment in strategic business units are expected to be invested in Philcement and UGC. These projects will address consumer demand and support the government's infrastructure development program and plans for economic recovery by enhancing efficiency and increasing capacity of Philcement as well as increasing capacity by diversifying the product line of UGC. The projects are currently under evaluation and are subject to the approval of the appropriate Board of Directors. The Company is also evaluating possible investments in PHINMA Education which may involve acquisitions and/or the expansion of existing schools. The proceeds will be invested in the strategic business units via equity and/or debt within the corresponding schedule of disbursement detailed above.

The repayment of short-term debt obligations is set out below:

Lender	Value Date	Principal (₱Mn)	Interest Rate	Maturity Date	Purpose
RCBC – Corporate Banking	February 16, 2021	₱150	2.75%	August 13, 2021	Repayment of short-term debt obligations and for general corporate requirements
RCBC – Corporate Banking	August 27, 2020	₱100	4.675%	August 20, 2021	To complete funding of preferred share investment in Philcement

RCBC – Corporate Banking is one of the creditors of PHINMA, and a recipient of a portion of the proceeds from the Offer which will be used to pay PHINMA's maturing short-term obligations due RCBC – Corporate Banking. RCBC – Trust is the duly appointed Trustee of the Bondholders. RCBC Trust is a separate and independent department from RCBC – Corporate Banking, in accordance with paragraph (a) Section 412 of the Manual of Regulations for Banks⁸ issued by the Bangko Sentral ng Pilipinas (“BSP”). Both departments are supervised and heavily regulated as separate operational departments by the BSP.

Pending full disbursement of the net proceeds, the Company intends to invest the net proceeds from the Offer in short-term and medium-term liquid investments including but not limited to short-term government securities, bank deposits and money market placements which are expected to earn prevailing market rates.

None of the proceeds will be used to reimburse any officer, director, employee or shareholder for service rendered, assets previously transferred, money loaned or advance or otherwise. None of the proceeds shall be likewise used to repay any credit facilities procured from any of the Joint Lead Underwriters or its respective parent bank.

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

⁸ Trust and other fiduciary business of a bank shall be carried out through a trust department which shall be organizationally, operationally, administratively and functionally separate and distinct from the other departments and/or businesses of the institution.

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

Any material deviation, reallocation or adjustment in the planned use of proceeds, as indicated above, will be approved by the Board of Directors of the Company and duly disclosed to the SEC, PSE, PDEx, and to the Bondholders, in writing, at least thirty (30) days before such deviation, reallocation, or adjustment is implemented. Disbursements made in connection with the planned use of proceeds, progress reports on the application of proceeds, and the summary of the application of proceeds, shall be properly disclosed in accordance with the applicable periods under relevant rules and regulations.

In the event that the Company is unable to raise the full amount of the Offer, the Company shall use internally generated funds such as cash flows generated from operations and/or availments from credit facilities provided to the Issuer by various financial institutions, to the extent the proceeds of the Offer are insufficient to fund its requirements.

VIII. DETERMINATION OF OFFER PRICE

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

IX. CAPITALIZATION

The following table sets forth the consolidated capitalization and indebtedness of the Issuer as at March 31, 2021 and as adjusted to give effect to the issue of the Bonds. This table should be read in conjunction with the Issuer's interim unaudited consolidated financial statements as at March 31, 2021 and notes thereto, included elsewhere in this Prospectus.

<i>In ₱ millions</i>	As Adjusted		
	As of March 31, 2021 (Unaudited)	Base Offer Size of ₱2.00 billion	Maximum Offer Size of ₱3.00 billion
Short-term Debt			
Notes payable	1,641.01	1,641.01	1,641.01
Current portion of long-term debt	543.27	543.27	543.27
Total Short-term Debt	2,184.28	2,184.28	2,184.28
Long-term Debt			
Noncurrent portion of long-term debt	7,589.58	7,589.58	7,589.58
Bonds to be issued	-	2,000.00	3,000.00
Total Long-term Debt	7,589.58	9,589.58	10,589.58
Equity Attributable to Equity Holders of the Parent			
Capital stock	2,863.31	2,863.31	2,863.31
Additional paid-in capital	259.25	259.25	259.25
Treasury shares	(136.97)	(136.97)	(136.97)
Exchange differences on translation of foreign operations	(0.71)	(0.71)	(0.71)
Equity reserves	9.21	9.21	9.21
Other comprehensive income	38.02	38.02	38.02
Share in other comprehensive income of associates	1.16	1.16	1.16
Retained earnings	3,708.60	3,708.60	3,708.60
Total Equity Attributable to Equity Holders of the Parent	6,741.88	6,741.88	6,741.88
Non-controlling Interests	2,153.70	2,153.70	2,153.70
Total Capitalization*	18,669.44	20,669.44	21,669.44

*Total Capitalization refers to summation of Total Short-term Debt, Total Long-term Debt, Total Equity Attributable to Equity Holders of the Parent and Non-controlling Interests.

X. PLAN OF DISTRIBUTION

The Offer

PHINMA shall issue the Bonds to institutional and retail investors in the Philippines through a public offering, on a lump-sum basis, to be conducted through the Joint Lead Underwriters. The Offer does not include an international offering. The Bonds will be issued by the Company pursuant to the terms and conditions of the Bonds on the Issue Date.

The Offer will consist of the primary offer of 3-year fixed rate bonds due 2024, with an aggregate principal amount of up to ₱2,000,000,000.00 with an Oversubscription Option of up to ₱1,000,000,000.00. In the case that Oversubscription Option is not fully exercised during the Offer Period, the Bonds under the Oversubscription Option that will not be taken up during the Offer Period shall be deemed cancelled.

The Underwriting Commitment

China Bank Capital and SB Capital, pursuant to an Underwriting Agreement with PHINMA executed on August 5, 2021 (the "Underwriting Agreement"), have agreed to act as the Joint Lead Underwriters for the Offer and as such, distribute and sell the Bonds at the Issue Price, and has also committed to underwrite up to ₱2,000,000,000 of the Bonds on a firm basis, subject to the satisfaction of certain conditions provided in the Underwriting Agreement and in consideration of an fees and expenses.

For the Offer of Bonds, the Joint Lead Underwriters will receive a fee of up to 55 basis points on the underwritten principal amount of the Bonds issued. Such fee shall be inclusive of underwriting and participation commissions such as those that may be paid to the Selling Agents. The Joint Lead Underwriters have committed jointly, and not solidarily, to underwrite the following amounts on a firm basis:

Joint Lead Underwriter	Underwriting Commitment
China Bank Capital	₱1,000,000,000.00
SB Capital	₱1,000,000,000.00
Total	₱2,000,000,000.00

There is no arrangement for the Joint Lead Underwriters to return any unsold Bonds to PHINMA. The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to PHINMA of the net proceeds of the Offer. In case the Underwriting Agreement is terminated, the Company shall notify the SEC of the termination and its subsequent course of action.

For the purpose of complying with their respective commitments under the Underwriting Agreement, the Joint Lead Underwriters may, under such terms and conditions not inconsistent with the provisions of the Underwriting Agreement, particularly the underwriting commitment of the Joint Lead Underwriters, enter into agreements with and may appoint the Selling Agents for the sale and distribution to the public of the Bonds; provided, that the Joint Lead Underwriters shall remain solely responsible to PHINMA in respect of their obligations under the Underwriting Agreement entered into by them with the Issuer, and except as otherwise provided in the Underwriting Agreement, the Issuer shall not be bound by any of the terms and conditions of any agreements entered into by the Joint Lead Underwriters with the Selling Agents.

The Joint Lead Underwriters

The Joint Lead Underwriters are duly licensed by the SEC to engage in underwriting or distribution of the Bonds. The Joint Lead Underwriters may, from time to time, engage in transactions with and perform services in the ordinary course of its business for PHINMA.

China Bank Capital, a subsidiary of China Banking Corporation, 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 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. China Bank Capital

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 Banking Corporation's investment banking group, which was organized in 2012.

SB Capital is a Philippine corporation organized in October 1995 as a wholly owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. SB Capital provides a wide range of investment banking services including financial advisory, underwriting of equity and debt securities, project finance, privatizations, mergers and acquisitions, loan syndications and corporate advisory services. SB Capital is also involved in equity trading through its wholly owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues, both locally and internationally.

The Joint Lead Underwriters have no direct relations with PHINMA in terms of ownership by either of their respective major stockholder/s and have no right to designate or nominate any member of the Board of Directors of PHINMA.

Sale and Distribution

The distribution and sale of the Bonds shall be undertaken by the Joint Lead Underwriters, and duly appointed Selling Agents who shall sell and distribute the Bonds to third party buyers/investors. Other than the Joint Lead Underwriters and the duly appointed Selling Agents, no finders or broker dealers were engaged by the Issuer or the Joint Lead Underwriters in connection with the sale of the Bonds. Nothing herein shall limit the rights of the Joint Lead Underwriters from purchasing the Bonds for their own respective accounts should there be any unsold Bonds after the Offer Period.

There are no persons to whom the Bonds are allocated or designated. The Bonds shall be offered to the public at large and without preference.

Depending on the actual or expected demand for the Bonds during the Offer Period, the Joint Lead Underwriters may opt to exercise the Oversubscription Option which shall be distributed to investors. Consistent with customary Underwriting Agreement, upon the exercise of the Oversubscription Option, the portion exercised will be underwritten by the relevant Joint Lead Underwriters that have clients with excess demand.

Manner of Distribution

The Joint Underwriters shall, at their discretion, determine the manner by which proposals for subscriptions to, and issuances of, Bonds shall be solicited, with the primary sale of Bonds to be effected only through the Joint Underwriters.

Offer Period

The Offer Period shall commence at 9:00 a.m. on August 10, 2021 and end at 5:00 p.m. on August 16, 2021, or on such other dates as the Issuer and the Joint Lead Underwriters may agree upon.

Application to Purchase

The procedure set out in this section and the succeeding sections should be read together with the more detailed procedure and other conditions set out in the Application to Purchase.

Applicants may purchase the Bonds during the relevant Offer Period by submitting to the Joint Lead Underwriters properly completed Applications to Purchase, whether originally signed or electronically submitted (through the e-Securities Issue Portal ("e-SIP") upon and subject to the e-SIP's approval by the SEC), together with all applicable supporting documentation in the prescribed form and submitted in the prescribed manner, with full payment of the Purchase Price of the Bonds in the manner provided therein.

Corporate and institutional applicants must also submit, in addition to the foregoing:

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

Individual applicants must also submit, in addition to accomplished Application to Purchase and its required attachments:

- a) a photocopy of any one of the following identification cards ("ID"), subject to verification with the original ID: passport, driver's license, postal ID, company ID, SSS/GSIS ID, and/or Senior Citizen's ID or such other ID and documents as may be required acceptable to the selling bank, which must be valid as of the date of the application.
- b) two (2) duly accomplished signature cards containing the specimen signature of the Applicant;
- c) validly issued tax identification number issued by the BIR; and
- d) such other documents as may be reasonably required by the Joint Lead Underwriters, Selling Agents (if any) or the Registrar and Paying Agent in the implementation of their respective internal policies regarding "know your customer" and anti-money laundering.

Applicants claiming exemption from any applicable tax, or entitlement to preferential tax rates shall be required to submit the following requirements, subject to acceptance by the Issuer as being sufficient in form and substance:

- a) current and valid BIR-certified true copy of the current and valid tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption; as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto;
- b) duly notarized undertaking, in the prescribed form, executed by (i.) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the Bonds for its account, or (ii) the Trust Officer, if the Applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax exempt status or preferential rate entitlement, undertaking to immediately

notify the Issuer and the Registrar and 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 Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax;

- c) the prescribed requirements for the applicable tax treaty and under BIR regulations including Revenue Memorandum Order No. 14-2021 for those claiming the preferential tax treatment under an applicable tax treaty, which documents include an application form for tax treaty purposes (BIR Form 0901-I for interest), an authenticated or apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the Bondholder, and the relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on interest; and such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief;

provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

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

Minimum Purchase

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

Allotment of the Bonds

If the Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted at the discretion of the Joint Lead Underwriters, in consultation with the Issuer and without prejudice to PHINMA's exercise of its right of rejection.

Refunds

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

Unclaimed Payments

Any payment of interest on, or the principal of the Bonds which remain unclaimed after the same shall have become due and payable, shall be held in trust by the Paying Agent for the Bondholders at the latter's risk and shall be dealt with in accordance with the relevant provisions of the Registry and Paying Agency Agreement.

Purchase and Cancellation

The Issuer may at any time purchase any of the Bonds in the open market or by tender or by contract at market price, without any obligation to purchase (and the Bondholders shall not be obliged to sell) the Bonds pro-rata from all Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

Secondary Market

PHINMA intends to list the Bonds in the PDEX. Issuer may purchase the Bonds at any time without any obligation to make pro rata purchases of Bonds from all Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued. The Bonds shall be traded in denominations of ₱10,000.00 in the secondary market.

Register of Bondholders

The Bonds shall be issued in scripless form and will be eligible for trading under the scripless Register of Bondholders maintained by the Registrar. Master Certificates of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Legal title to the Bonds shall be shown in the Register of Bondholders to be maintained by the designated registrar for the Bonds. PHINMA will cause the Register of Bondholders to be kept at the specified office of the Registrar. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Register of Bondholders. Initial placement of the Bonds and subsequent transfers of interest in the Bonds shall be subject to applicable prevailing Philippine selling restrictions.

XI. DESCRIPTION OF BUSINESS

CORPORATE HISTORY

On November 19, 1956, the Parent Company, PHINMA, Inc. was incorporated and founded by Ambassador Ramon V. del Rosario, Sr., Don Filemon Rodriguez and Ernesto Escaler. In 1957, BCII was granted its corporate charter by the SEC and was listed on the PSE the following year. BCII was later renamed to Bacnotan Consolidated Industries, Inc. in 1969. On May 27, 2010, SEC approved the change in the Company's corporate name from Bacnotan Consolidated Industries, Inc. to PHINMA Corporation. Its principal activity is holding equity interests in various subsidiaries, associates and investees and other financial instruments.

On May 1957, BCII acquired the cement plant of the Cebu Portland Cement Company located in Bacnotan, La Union. BCII with its subsidiaries (Central Cement Corporation, Davao Union Cement Corporation, and Hi Cement Corporation) became the foremost producer of cement in the Philippines under the brand name, Union Cement. In 1958, BCII was listed on the PSE. In 2004, BCII sold its investment in the cement business to Holderbank (now Holcim). PHINMA re-entered the cement business in 2019 through Philcement, with the inauguration of its cement processing facility in Mariveles, Bataan in 2020.

BCII ventured into the manufacturing of galvanized iron (GI) sheets in 1963, with its first steel plant in Poro Point, La Union. This company later became known as UGC.

Trans-Asia Oil and Mineral Company was formed in 1969 to undergo exploration in the northwest seas of Palawan. Its success resulted in subsequent energy related projects such as coal mining and energy generation, which eventually became PHINMA Energy Corporation ("PHEN"). Trans-Asia Power Generation Corporation, the joint venture between Trans-Asia Oil and Hi Cement, commissioned its first 52 MW power plant in Bulacan in 1997. In 2019, PHINMA divested its energy business when PHEN was sold to AC Energy, Inc.

BCII and its affiliates entered the paper and packaging business with the United Pulp and Paper Company ("UPPC") in 1971. The plant in Calumpit, Bulacan initially produced sack Kraft paper, for use in the cement packaging business. In 2003, BCII sold its interest in UPPC to Siam Pulp and Paper Company, its joint venture partners.

In 1987, PHINMA Realty Corporation and FCI Development Corporation merged into PPHC. PPHC initially focused on property management, and eventually evolved into becoming a leading developer of low cost, medium rise developments.

PHINMA made its first investment in Education in 2004 with the with the acquisition of AU. This was followed by several acquisitions of educational institutions from 2005 to 2015. PHINMA Education was incorporated in 2015 to hold PHINMA's investments in education. In 2019, PHINMA Education signed investment agreements with strategic investors, including Kaizen Private Equity II Pte. Ltd., the Netherlands Development Finance Co., and Asian Development Bank, together with local investors, for ₱2.2 billion in investments that were intended to improve existing schools, develop the network and expand within ASEAN.

Philcement was incorporated in 2017 as PHINMA's re-entry into the cement business. Philcement inaugurated its Mariveles Cement Facility I in January 2020 which allowed it to improve efficiencies and improve sales efforts.

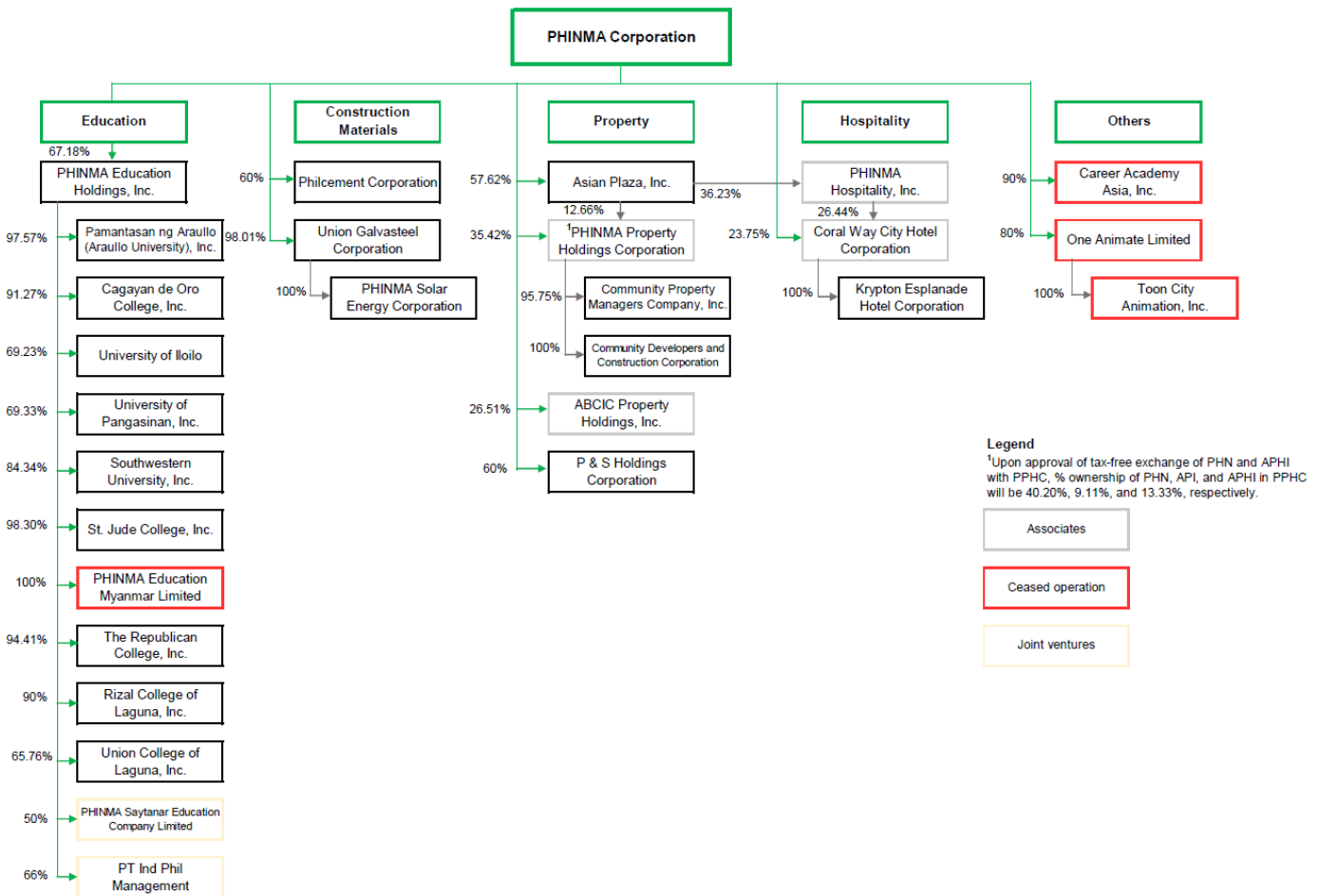
PHINMA and its subsidiaries have not been the subject of any bankruptcy, receivership, or any similar proceedings.

CORPORATE STRUCTURE

Ownership and Holdings

As of June 30, 2021, PHINMA, Inc. owns 171,850,150 shares, which represent 63.12% of total outstanding shares of stock of the Company.

The Company is invested in four (4) major strategic business units: (1) Construction Materials, (2) Education, (3) Property and (4) Hospitality.



DESCRIPTION OF BUSINESS

Starting from an investment in a cement plant in Cebu, PHINMA now owns and manages strategic business units focused on education, construction materials, property, and hospitality. Boasting a nationwide network of accessible, quality tertiary education institutions and the widest distribution network for construction materials, PHINMA has been making lives better for the Filipino people for more than 60 years.

The consolidated revenues, gross profit, and net income of PHINMA for the year ended December 31, 2020 were ₱12.30 billion, ₱3.26 billion, and ₱521.94 million respectively and for the year ended December 31, 2019 were ₱11.32 billion, ₱3.24 billion, and ₱437.12 million respectively. The consolidated revenues, gross profit, and net income of PHINMA for the three (3) months ended March 31, 2021 were ₱3.88 billion, ₱1.18 billion, and ₱528.99 million respectively and for the three (3) months ended March 31, 2020 were ₱3.07 billion, ₱968.57 million, and ₱322.12 million respectively.

Business Segments

As stated above, PHINMA's four key strategic business units include (1) Construction Materials, (2) Education, (3) Property, and (4) Hospitality. The following table sets forth the contribution of each of the businesses of PHINMA to its revenues for the periods indicated:

	For years ended						Three months ended	
	December 31, (Audited)						March 31, (Unaudited)	
	2018		2019		2020		2021	
	<i>In ₱ Mn</i>	%	<i>In ₱ Mn</i>	%	<i>In ₱ Mn</i>	%	<i>In ₱ Mn</i>	%
Construction Materials	7,263.54	73.15%	8,227.07	72.65%	10,119.13	82.26%	2,971.34	76.57%
Educational Services	2,523.05	25.41%	2,925.16	25.83%	2,094.99	17.03%	895.40	23.07%
Property	2.57	0.02%	7.17	0.06%	11.01	0.09%	4.30	0.11%
Others	529.56	5.33%	568.18	5.02%	506.16	4.11%	10.29	0.27%
Eliminations	(388.62)	(3.91%)	(402.67)	(3.56%)	(429.54)	(3.49%)	(0.85)	(0.02%)
Total	9,930.10	100.00%	11,324.91	100.00%	12,301.75	100.00%	3,880.48	100.00%

In addition to the above revenues, the Company has equitized earnings (losses) in the property and hospitality segments which are accounted for under the equity method. The property segment includes PHINMA's 35.42% interest in PPHC and 26.51% interest in APHI. PHINMA has a direct 23.75% equity interest in Coral Way and through API, has also a 36.23% equity interest in PHINMA Hospitality, the hospitality arm of the Group.

The Company's equitized earnings (losses) in the following segments and for the periods indicated, are as follows:

	For years ended			Three months ended
	December 31, (Audited)			March 31, (Unaudited)
	2018 <i>In ₱ Mn</i>	2019 <i>In ₱ Mn</i>	2020 <i>In ₱ Mn</i>	2021 <i>In ₱ Mn</i>
Property	54.84	31.27	8.46	8.35
Hospitality	1.21	14.51	(12.19)	(3.86)

Each of these key business units and the primary entities through which such segments are conducted are summarized below:

Construction Materials Group

PHINMA operates its construction materials business under three (3) subsidiaries namely UGC, Philcement, and PHINMA Solar. The PHINMA construction materials group aims to optimize synergies among the various companies within the group to provide innovative construction solutions to its customers, offering one-stop shop services, from floor to roofing, and providing superior convenience and service to customers nationwide.

UGC

UGC started as the Union Steel Plant Division of BCII. It began commercial operations in 1963 with a galvanizing plant in Poro, La Union for the manufacture of Galvanized Iron sheets, expanding to Ilang, Davao City in 1968 and to Calamba, Laguna in 1990. In 1993, the steel plant was spun off from BCII as a separate business unit, and incorporated as Bacnotan Steel Corporation. It was later renamed UGC in 1997 and established a modern Continuous Galvanizing Line and Color Coating Line for the manufacture of pre-painted galvanized steel coils in Calamba, Laguna. On December 22, 2010, the SEC approved the merger of UGC and Atlas Holdings Corporation, a 90%-owned subsidiary of PHINMA with UGC as the surviving entity.

It is a leading manufacturer of pre-painted galvanized iron roofing products and other steel products such as steel decking, frames, pre-engineered building systems and insulated panels used for cold storage and other facilities. UGC's main manufacturing facilities are located in Calamba, Laguna. It also operates roll-forming plants in Poro, San Fernando, La Union, Ilang, Davao City, Cebu City, Sta. Rosa, Nueva Ecija, Cagayan de Oro City, Zamboanga City, Calasiao, Pangasinan, Bacolod City, Iloilo City, Pili, Camarines Sur, San Fernando, Pampanga, Batangas City, Tacloban City, Leyte and Cainta Rizal.

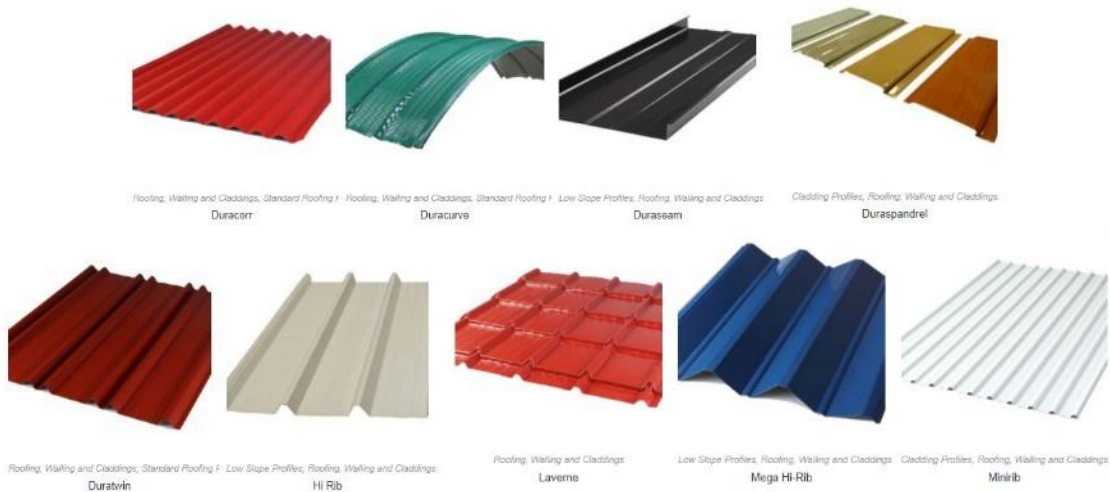
Today, UGC is the market leader in manufacturing and distribution of pre-painted and other galvanized roofing, and of galvanized steel building products such as building system components like steel deckings, c-purlins, door jambs, steel trusses, pre-engineered building structures and insulated panels for commercial, industrial and residential applications. UGC has the largest and most diversified distribution network in the industry, with rollforming plants, warehouses and sales offices in strategic locations throughout the country.

UGC's production lines are located in:

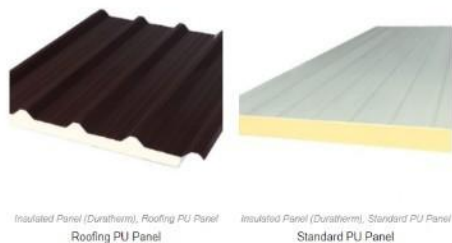
- Continuous Color Coating Line in Calamba City Laguna
- PU Lines in Calamba City Laguna
- Continuous & discontinuous lines in Davao City
- Discontinuous Rollforming Lines nationwide

Products and Services

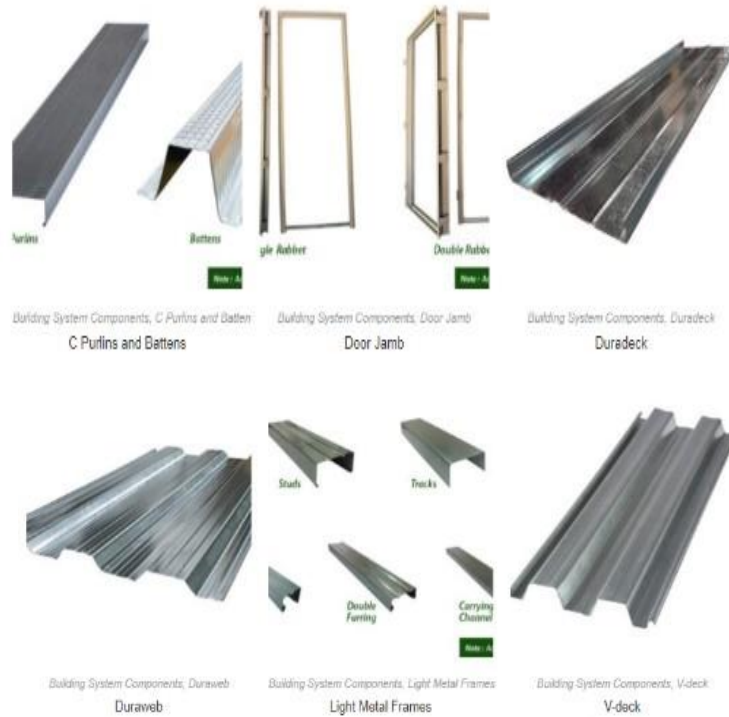
1. Roofing, Walling and Claddings



2. Insulated Panel - Ideal for walls, partitions and ceiling of building structures, Cold storage for food processing and food storage, processing and production plants for food processing, Commercial Chillers, Pharmaceutical Products Storage and Controlled Temperature Rooms



3. Building System Components Steel such as deckings, purlins and light metal framings



4. Pre-engineered Building Structures - Steel structures that are fully fabricated as designed in accordance with the specifications of the customer, shipped to site in completely knocked down condition; and assembled and erected onsite.



5. Roofing Accessories



Selected operating data for UGC are provided below:

	For years ended			Three months ended
	December 31, Audited			March 31, (Unaudited)
<i>in ₱ millions</i>	2018	2019	2020	2021
Revenue from Contracts with Customers	6,560.78	5,530.09	4,282.22	1,056.39
Gross Profit	1,101.17	1,268.68	988.96	248.31
Operating Income	457.39	528.32	355.94	81.46
Net Income	268.20	275.38	147.45	42.24

Philcement

Philcement was incorporated on September 22, 2017 to engage in the processing, distribution, marketing and sales of cement products. Philcement represents PHINMA's re-entry into the cement industry, re-introducing PHINMA's legacy brand "Union Cement". Union Cement enjoyed market dominance and strong brand recognition for many years when PHINMA was in direct ownership or management of majority of the country's integrated cement plants, until the Company sold its ownership stake to Holder Bank (now Holcim) in 2003. Philcement is proud to re-introduce the Union Cement brand after a 14 year hiatus. The re-branding of Union Cement aims to combine world class standards with Filipino expertise to make the lives of Filipinos better through quality, affordable, and readily available cement products. Philcement imports cement from its partner The Vissai Group, one of the biggest privately-owned cement companies in Vietnam. Philcement is owned 60.00% by PHINMA, 30.00% by Viet Cement Terminal Joint Stock Company and 10.00% by EDCOMMERCE Corporation.

Philcement is a Freeport Area of Bataan ("FAB") - registered enterprise permitted to engage in the processing, marketing, importing, trading – wholesale and retail, selling, and distributing cement, cement products, and other by-products and establishing, operating and managing cement supply terminals at the FAB. As a FAB Registered enterprise, Philcement is entitled to the benefits and incentives under Republic Act No. 9728, also known as "The Freeport Area of Bataan Act of 2009". The Authority of the Freeport Area of Bataan is further discussed under "*Regulatory Framework*".

Philcement's 7.8-hectare flagship cement processing complex is located in the Freeport Area of Bataan and is considered to be the first state-of-the-art cement facility in the Philippines and one of the largest independent cement terminals globally. The facility has an initial annual capacity of 2 million metric tons of cement or 400,000 bags a day. The cement processing complex serves as an importation, storage and bagging facility of Philcement in Mariveles, Bataan.

The cement processing complex is likewise strategically located and able to afford Philcement logistical advantage over competitors who transport cement mostly via land. Philcement is likewise able to leverage on its affiliate UGC's waterways distribution network, especially in its reach of the Visayas and Mindanao markets which is underserved by local cement manufacturers that rely heavily on trucking or land-based transportation.

In September 2019, PHINMA signed an agreement to invest USD \$50.00 million in Song Lam Cement Joint Stock Company, the flagship plant of The Vissai, the largest private cement manufacturing group in Vietnam. The investment will be used to expand the capacity of the flagship plant located in Nge Anh province in Vietnam, and will cement Philcement's relationship with Viet Cement Terminal JSC, who is a shareholder in Philcement. These mutual partnerships assure Philcement a steady supply of high quality cement for its customers, out of the world-class facility in Mariveles Bataan. The Company targets to finalize this investment within 2021.

Products and Services

Philcement distributes its products in 40-kg bags, jumbo bags, and bulk trucks, and continues to gain acceptance in key markets nationwide. Currently, Philcement has three types of cement:

Product Type	Description
Union V Ultra Strength 50	High strength cement, greatly suited for concrete applications, and exhibits high workability, early compressive strength, and consistency that exceeds both Philippine and international standards
Union V Super Strength 40	Philcement's general-purpose cement blended with mineral additives and designed for higher levels of workability and improved yield that exceeds both Philippine and international standards
Union Type II	Philcement's Type II cement, for construction applications which require moderate heat of hydration and sulfate resistance

To serve key markets, Philcement has built a cement facility in the Freeport Area of Bataan which started operations in February 2020. It is the first in the industry to use ship unloader for bulk cement. Further, in September 2019, Philcement entered into an agreement with Seasia Nectar Port Services, Inc. to purchase the port and port assets where its terminal is constructed on, thereby affording the company cost-efficiencies.

Selected operating data of Philcement are provided below:

	For years ended			Three months ended
	December 31,			March 31,
	(Audited)			(Unaudited)
in ₱ millions	2018	2019	2020	2021
Sale of Goods	693.09	2,688.59	5,803.73	1,882.68
Operating Income	17.56	101.51	966.12	293.54
Net Income	9.70	56.82	777.34	256.91

PHINMA Solar

PHINMA Solar, formerly Trans-Asia Wind Power Corporation, was incorporated in the Philippines and registered with the SEC on July 26, 2013.

PHINMA Solar is the Group's venture into the solar rooftop market, providing solar rooftop generation solutions for industrial and commercial clients, capitalizing on the opportunity presented by the declining cost of solar energy panels, rising levels of environmental awareness, and government initiatives mandating the use of renewable energy sources. In 2019, it expanded its portfolio of clients, installing rooftop solar solutions equivalent to around 11% of total solar installations in the industry, according to company estimates. Since then, the company has evolved from a lease model to a sale on installment model to maximize cashflow and mitigate exposure on fluctuation in the energy generation and prices.

On December 21, 2020, PHINMA approved the sale of its 225,000,000 shares of PHINMA Solar to UGC. The sale rationalized PHINMA's ownership structure in its Construction Materials group by consolidating in UGC 100% ownership in PHINMA Solar. PHINMA Solar is 98.01% indirectly-owned by PHINMA and 100% owned by UGC.

PHINMA Solar's value proposition for its customers comes from the savings the customers are able to achieve on their annual electricity costs from using the solar rooftop equipment. The customers not only save on their electricity costs but also support the environment.

In collaboration with UGC, PHINMA Solar not only promotes its own brand but is also able to extend UGC sales through PHINMA Solar’s network of customers.

PHINMA Solar’s installed solar generation capacity as of December 31, 2020 are provided below:

	2018	2019	2020⁹
Installed capacity in Kilowatt Peak (kWp)	169.68	1,839.94	4,155.56

Education Group

PHINMA Education

The education services of PHINMA are held through its majority-owned subsidiary, PHINMA Education. PHINMA Education holds majority equity interests in schools including AU, COC, UPang, and UI, which all provide quality, accessible basic and tertiary education to students from low income families in developing urban centers. In Cebu, the company owns and operates SWU, which provides quality education to a middle-income market, catering to local as well as international students.

PHINMA made its first investment in education in 2004 with the acquisition of AU in Cabanatuan City, Nueva Ecija as its first venture into the education industry.

In 2005, PHINMA acquired COC to extend its affordable education offering to Mindanao, especially in Misamis Oriental, Camiguin, and Bukidnon. COC opened its second campus in Puerto in 2012.

UI, established in 1947 as Iloilo City Colleges, was acquired by PHINMA in 2008.

UPang, which began operation in 1925 as the Dagupan Institute, was acquired by PHINMA in 2009.

The school and hospital of SWU, a private university in Cebu City founded in 1946 by two pharmacists, were acquired by PHINMA in 2015.

On August 28, 2015, PHINMA Education was incorporated in the Philippines and registered with the SEC to invest in, purchase, acquire, own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, dispose of real and personal property of every kind and description, including shares of stock and other property of educational institutions.

In 2017, PHINMA Education Myanmar Limited opened PHINMA Training Center in Yangon, Myanmar in partnership with Victoria Hospital, one of Myanmar’s leading private hospitals. It offered courses on Child Caregiving, Elderly Caregiving, and Special Care Assistance. Operations ceased in May 2020 but the location may be revisited once political conditions are favorable and foreign entities are allowed to operate tertiary institutions. The Joint Venture Company PHINMA Saytanar Education Company Ltd. (“PHINMA Saytanar”) was created in 2018, when the country regulation allowed foreign ownership with local partners. PHINMA Saytanar is the current owner of PHINMA Training Center in Myanmar. PHINMA Education’s operations in Myanmar in relation to PHINMA Saytanar ceased in May 2020, but may be revisited once the situation in Myanmar improves or stabilizes.

SJCI was acquired in 2017 as the first PHINMA Education school in Metro Manila. Located in Sampaloc, Manila, it is a tertiary educational institution founded in 1968. It is well-known for its PACUCOA-accredited School of Nursing, but offers a range of other courses including Information Technology, Nutrition and Dietetics, and Radiologic Technology. In 2019, RCI was acquired as the second PHINMA Education school in Metro Manila.







⁹ 2020 installed capacity includes sale and installation of a 392.49 kWp solar panels.

In 2020, PHINMA Education began its planned Laguna network with the acquisition of RCL, which is also PHINMA Education's eighth school in the Philippines. It currently offers Junior and Senior High School and undergraduate courses in Education, Business Administration, Office Administration, and Industrial Technology.

On 23 April 2021, PHINMA Education, with Center for Agricultural and Rural Development, Inc. ("CARD") entered into a Share Purchase Agreement with controlling stockholders of UCL, an educational institution located in Sta. Cruz, Laguna, Philippines. Under the said Agreement, the said stockholders agreed to sell and PHINMA Education and CARD agreed to acquire, the shares of stock of the said stockholders in UCL. On May 21, 2021, PHINMA Education purchased shares of UCL equivalent to 66% of total outstanding shares including 90% of total voting shares, for the purchase price of Php 85.5 million for the voting shares and Php 2.7 million for the non-voting shares.

PHINMA Education is also expanding to provide education to countries across Southeast Asia. In 2019, it began to manage STMIK and STIKES Kharisma in Karawang, West Java, Indonesia through its partnership Yayasan Triputra Persada Horizon Education. It envisions a network of schools in Indonesia with a goal to grow its Indonesian enrollees to between 100,000 to 150,000 in 10 to 12 years. In Indonesia, a student-centric and communal mentorship approach to ensure that students are well-equipped to secure their future and contribute to the growth of their chosen industry.



The main business of PHINMA Education is to provide affordable and accessible basic and tertiary education to a low-income market. Average annual tuition fees across these schools which target the affordable segment ranges from ₱18,000 to ₱25,000. PHINMA Education also provides more opportunities to students from low-income families by offering academic scholarships and financial assistance on top of already accessible fees. The objectives of the programs are immediate employability of graduates, and as such, the quality of the programs is assessed through the performance of the graduates in board accreditation exams, particularly for courses aimed at immediate employability such as Nursing, Criminology, Education, and Medicine.

PHINMA Education Institutions		Location	Beneficial Ownership of PHINMA Education as of June 30, 2021	Year Acquired
 AU		Nueva Ecija, Philippines	97.51% ¹⁰	2004
 COC		Misamis Oriental, Philippines	91.29% ¹¹	2005
 UI		Iloilo, Philippines	69.23%	2008
 UPang		Pangasinan, Philippines	69.33%	2009
 SWU		Cebu, Philippines	84.34% ¹²	2015
 SJCI		Metro Manila, Philippines	98.30%	2017

¹⁰ PHINMA Education beneficially owns 97.51% of AU, tax clearances for 19.66% or 3,307,248 shares are still pending with the BIR.

¹¹ PHINMA Education beneficially owns 91.29% of COC, tax clearances for 18.11% or 11,765,700 COC shares are still pending with the BIR.

¹² PHINMA Education beneficially owns 84.34% of SWU, tax clearances for the 3.8% are still pending with the BIR.

 REPUBLICAN COLLEGE	RCI	Metro Manila, Philippines	94.41% ¹³	2019
 RIZAL COLLEGE OF LAGUNA	RCL	Laguna, Philippines	90.00% ¹⁴	2020
Union College of Laguna	UCL	Laguna, Philippines	66.00% ¹⁵	2021
	PHINMA Saytanar Education Company Limited (PHINMA Saytanar)	Yangon, Myanmar	50.00%	2018
	IPM	Karawang, Indonesia	66.00%	2019
	PHINMA Education Myanmar Limited*	Yangon, Myanmar	100.00%	2016

*Ceased operations on May 31, 2020.

On April 12, 2019, PHINMA Education signed an Investment Agreement with Kaizen Private Equity II Pte. Ltd. (“Kaizen”) and Asian Development Bank (“ADB”). An Amended and Restated Investment Agreement was executed on October 7, 2019, to include the investment of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV (“FMO”). The total subscriptions of FMO, together with Kaizen and ADB (the “Investors”), amounted to ₱1.88 billion representing a 19.41% stake in PHINMA Education. Proceeds from the investments shall be used for the expansion of PHINMA Education and acquisition of new schools. This partnership not only provides PHINMA Education fresh capital for accelerated growth but also affirms the trust and confidence of the international finance community in the prospects of our affordable education business.

Historically, the PHINMA Education Schools’ graduates have posted significant overall improvement in board accreditation exam passing rates since said schools were acquired and the programs taken over by PHINMA Education. PHINMA Education graduates have also historically placed among the top ten nationwide examinees in their respective board accreditation exams. In total, PHINMA Education has fielded 101 Board Exam Topnotchers since acquiring its first school in 2004. In terms of employment, around 81% of graduates are accepted into their first job within one (1) year from graduation based on company tracer studies

As of SY 2020/2021, selected key performance indicators of the school are as provided below:

SCHOOL	Enrollment Total	Graduates Since Acquisition	Board Passers Since Acquisition	Board Placers Since Acquisition	Bachelor of Science Business Administration (BSBA) ¹⁶ Tuition (₱)
AU	11,368	12,560	4,514	3	18,395.00
COC	17,218	11,104	4,915	26	25,626.00
UPang	15,800	13,370	6,021	30	20,615.00
UI	12,187	8,959	4,915	9	15,784.00
SWU	10,081	9,336	3,107	31	35,255.00
SJCI	4,091	861	663	3	18,000.00

¹³ PHINMA Education beneficially owns 94.41% of RCI. The relevant tax clearances are still pending with the BIR.

¹⁴ PHINMA Education beneficially owns 90.00% of RCL. The relevant tax clearances are still pending with the BIR

¹⁵ PHINMA Education beneficially owns 66.00% of UCLI. The relevant tax clearances are still pending with the BIR

¹⁶ BSBA tuition fees are used as a common reference to show the difference in the pricing among the PHINMA Education schools, since all the schools have a BSBA program.

SCHOOL	Enrollment Total	Graduates Since Acquisition	Board Passers Since Acquisition	Board Placers Since Acquisition	Bachelor of Science Business Administration (BSBA ¹⁶) Tuition (₱)
RCI	558	56	20		18,000.00
RCL	356	747			15,053.00
Total Philippines	71,659	56,246	24,155	102	
STIKES / STMIK Horizon	1,087	747			24,000.00 - 51,000.00
					16,000.00 on scholarship
Total	72,746	56,993	25,155	102	

Selected operating data of PHINMA Education are provided below:

	For fiscal years ended			Three months ended
	March 31, (Audited)			March 31 (Unaudited)
<i>in ₱ millions</i>	2018	2019	2020	2021
Revenues from Contract with Customers	2,164.43	2,566.90	2,900.36	886.70
Operating Income	337.49	508.68	630.39	324.18
Net Income	217.27	409.59	532.04	271.55

Properties Group

PHINMA holds business interests in property management and development through APHI, PPHC, and PSHC.

PPHC serves as the Group's property development arm which focuses on affordable medium-rise condominium units, socialized housing units and upscale developments in Metro Manila, Davao City, Cebu City and Batangas.

PPHC

PPHC, a 35.42%-owned affiliate of the Company, develops affordable medium-rise condominium units and socialized housing units in Metro Manila and other areas in the country. As of end 2020, PPHC has built close to 14,200 Medium Rise Buildings ("MRB") units in Metro Manila since 1998.

In December 2018, PHINMA and APHI, transferred its properties with and appraised value of ₱328.11 million and ₱297.30 million, respectively, as subscription to 65,622 and 59,459 PPHC shares, respectively, at par value of ₱5,000 per share, pending the approval by the SEC of the request in the increase of PPHC's capital. After securing approval of the SEC, PHINMA's ownership share in PPHC will increase to 40.20%. Consequently, APHI and API's ownership in PPHC will be 13.33% and 9.11%, respectively.

PPHC, through its subsidiary Community Property Managers Group, Inc. ("CPMGI"), provides property management services to condominium corporations of condominium communities developed within Metro Manila. On the construction front, PPHC's Construction Management Group serves the group's requirements and also builds housing units for other property developers. From 2019 to 2020, CPMGI built 1,560 housing units for other developers, while the Property Management Group signed 16,222 new units under management, bringing the total number of constructed units to 4,610 and total number of managed units to 31,507 as of year-end 2020.

PPHC also recently launched its Pathways brand, which provides four main types of services namely coworking memberships and passes, private office rentals, virtual offices memberships, and meeting rooms passes.

At the 2019 annual The Outlook real estate awards based on online surveys of over 10,000 property buyers, PPHC won one of the grand awards, Best Boutique Developer – Luzon, while its joint-venture co working facility Acceler8, won a special award for Best Co-Working Space. Also in 2019, PPHC was recognized by the Pag-IBIG fund as one of the top 10 best performing developers in the NCR for the first half of 2019.

Completed Projects of the Properties Group as of March 31, 2021 include:

Project	Location	Year Completed	Area (sqm)	No. Of Units Completed
Mariposa Square	C. Benitez Quezon City	1987	2,000	10
Mariposa Villas	Mariposa St. Quezon City	1988	20,600	40
Manila Polo Club Townhouses	Forbes Park Makati City	1989	24,000	43
Villa Milagrosa	San Pedro Laguna	1994	10,000	155
Villa Elisa	Imus, Cavite	1996	34,000	334
Smile Citihomes I	Novaliches Quezon City	1998	24,020	1,595
Smile Citihomes Annex – Phase 1 to 3	Camarin Rd. Caloocan City	2000	10,000	638
Sunny Villas	Pearl Drive, Commonwealth Ave., East Fairview, Quezon City	2005	14,380	812
Spazio Bernardo	Brgy. Sauyo, Bagbag, Quezon City	2006	16,650	957
Spazio Bernardo West Villas	Brgy. Sauyo, Quezon City	2007	6,610	319
San Benissa Garden Villas	Quirino Highway Novaliches, Quezon City	2008	15,580	928
Fountain Breeze	Lombos Avenue, Sucat, Parañaque City	2011	31,240	1,640
Sofia Bellevue	Capitol Hills Drive, Quezon City	2011	17,000	840
Flora Vista	Peacock St., Brgy. Commonwealth, Quezon City	2010	18,770	870
Bistekville – Townhouse	Novaliches, Quezon City	2015	1,670	40
Bistekville RH	Novaliches, Quezon City	2015	660	23
ASIA Enclaves	Alabang, Muntinlupa City	2016	106,710	588
Solano Hills	Villongco St., Muntinlupa City	2016	29,000	1,260
Strikeville 4	Bacoor City, Cavite	2018	45,520	TH - 115
L'Oasis	Malabon City	2020	108,000	626
Aspire Homes	Cebu City	2019	18,000	238
TOTAL			554,410	12,071

The following are ongoing projects under PPHC as of March 31, 2021:

Project	Location	Year Completed	Area (sqm)	No. Of Units Completed
Arezzo Place Pasig	Sandoval Avenue, Pasig City	20 buildings 100% completed and 2 buildings under construction	43,000	1,800
Hacienda Balai	Novaliches, Quezon City	12 buildings 100% completed and 2 under construction	29,000	1060
Arezzo Place Davao	Davao City	7 buildings 100% completed and 5 under construction	270,000	630
Uniplace @SWU	Cebu City	2 buildings under Construction	4,100	N/A (176 units for completion)
Metrotowne	Las Pinas	Site sales office constructed	21,000	N/A (planning stage)
Tugbok	Davao	Site sales office constructed	96,000	
Likha	Davao	For mobilization	17,000	
San Jose	Batangas	Site sales office constructed	95,000	
TOTAL			575,100	3,490

Arrezzo Place Pasig sold out all its units in November 2020, with construction activities to be completed within 2021. Hacienda Balai Quezon City ended 2020 with 2 buildings, and sold out all units in March 2021. For the upcoming projects, the License to Sell (LTS) of Uniplace at SWU Village in Cebu was secured last September 2020, coinciding with the top-off of the first 10-storey building. The LTS for Metrotowne Las Pinas, was secured in December of 2020, with selling activities commencing last January 2021. Another pipeline project of PPHC is PHINMA Maayo San Jose, Batangas, a 9-hectare development currently at permitting phase. The permit for the Phase 1 development is targeted to be secured by second quarter of 2021. The company also expects additional LTS at its Tugbok and Likha projects in Davao by third quarter of 2021

Owned 100% by PPHC, Community Developers and Construction Corporation (“CDCC”) is engaged in real estate development, principally low-cost and affordable housing and vertical development. Projects under CDCC include:

Project	Location	Year Completed	Area (sqm)	No. Of Units Completed
Nuvista San Jose-Senna	Brgy. Sto. Cristo, San Jose Del Monte Bulacan	2017	966	23
Nuvista San Jose-Anthea and Tiara	Brgy. Sto. Cristo, San Jose Del Monte Bulacan	2018	12,188	177
Joseph Calamba-Alyana and Amira	Brgy.Laquerta, Calamba Laguna	2018	8,400	400
Saint Joseph Calamba-Annex	Brgy.Laquerta, Calamba Laguna	2019	6,468	308

Project	Location	Year Completed	Area (sqm)	No. Of Units Completed
Saint Joseph Windfield-Brisa	Brgy. Gulod, Cabuyao City, Laguna	2019	8,946	213
Saint Joseph Calamba-Amora	Brgy. Laquerta, Calamba Laguna	2019	3,906	93
Bistekville 15 and 16	Brgy. Nagkaisang Nayon and Sauyo	Jul-19	7,650	255
TOTAL			48,524	1,469

As of March 31, 2021, PPHC has land assets of approximately 30 hectares with certain parcels of land in Brgy. Makiling, Calamba, Laguna (27.3425 has.) and in Island Park Subdivision, Brgy. Paliparan, Dasmaringas, Cavite (2.2869 has.) as marketable investments and for potential future developments.

As stakeholders in the real estate economy, CPMGI provides efficient management of its clients' properties and the provision for their needs, with value for money and customer service as its priority.

CPMGI members are trained and equipped with certifications in the field of property management. Their experience and competency help ensure the delivery of excellent service to unit owners, tenants, and properties within the care of CPMGI.

CPMGI services include property management, technical services, unit improvement, leasing & resale services, pest control & termite services and general home cleaning services.

Stakeholders of CPMGI are condominium corporations of condominium communities developed by PPHC and other developers in Metro Manila.

Project	Project Type	Location	No. Of Buildings/Units
PPHC Group Projects:			
Sunny Villas	MRB	Quezon City	9 Bldgs./812 Units
Spazio Bernardo	MRB	Quezon City	14 Bldgs./1,276 Units
San Benissa	MRB	Quezon City	12 Bldgs./936 Units
Flora Vista	MRB	Quezon City	9 Bldgs./870 Units
Sofia Bellevue	MRB	Quezon City	5 Bldgs./840 Units
Hacienda Balai	MRB	Quezon City	14 Bldgs./1,260 Units
Fountain Breeze	MRB	Paranaque City	16 Bldgs./1,640 Units
Arezzo Place Pasig	MRB	Pasig City	22 Bldgs./1,980 Units
Asia Enclaves Alabang	MRB	Alabang City	5 Bldgs./588 Units
Solano Hills	MRB	Muntinlupa City	13 Bldgs./1,170 Units
L'Oasis	MRB	Malabon City	6 Bldgs./674 Units
Strikeville	Horizontal	Cavite City	857 Units
Arezzo Place Davao	MRB	Davao City	12 Bldgs./1,080 Units
Aspire Cebu	MRB	Cebu City	2 Bldgs./238 Units
TOTAL			14,221 Units
Non-PPHC Projects:			
MRB Projects			28 Bldgs. / 20,240 units
Hi-Rise Projects			1 Bldg./1,148 Units
Horizontal Projects			857 Units
TOTAL			22,245 Units

In 2018, PPHC launched the Pathways brand, a recurring-income business line operating in the shared economy space. In 2019, the company's Acceler8 joint-venture co-working facility in Rockwell Center became fully operational, attracting entrepreneurs and corporate clients in its first year of operations.

Acceler8 Rockwell has 25 private office suites, a co-working space with 30 seats, and technology-ready meeting rooms with 20 seats.

The Pathways brand has four main service types categorized into (1) co-working memberships and passes; (2) private office rentals; (3) virtual offices memberships; and (4) meeting room passes.

- (1) Co-working memberships and passes allow users to gain access to the space's co-working area and high-speed internet. Various amenities are also available depending on the membership tier. Co-working spaces are geared towards individuals who need access to a conducive work or study environment.
- (2) Private office suite rentals give clients access to premium furnished office spaces complete with modern furniture, reliable equipment, and high-speed internet. These are geared towards small to medium sized companies who are in need of an office in the middle of a central business districts a CBD but without the need to expend capital to purchase or build a space of their own.
- (3) Virtual office memberships allow clients to use an official business address as their virtual office. In addition to the above, mail and parcel handling, notification, and forwarding is also offered to clients. With additional perks depending on the particular plan availed.
- (4) Meeting room passes or Day Passes allow clients to use meeting rooms and equipment for their needs.

Selected operating data of PPHC are provided below:

	For years ended			Three months ended
	December 31, (Audited)			March 31, (Unaudited)
<i>in ₱ millions</i>	2018	2019	2020	2021
Revenue from Contracts with Customers	1,849.50	1,928.51	1,949.29	473.32
Gross Profit	601.28	756.77	861.34	149.61
Operating Income	33.27	165.97	269.29	14.19
Net Income	38.13	71.82	71.87	(24.49)

P&S Holdings Corporation

P&S Holdings Corporation was incorporated and registered with the SEC on September 11, 1998. Its primary purpose is to invest in, hold, purchase, acquire, lease, or contract any and all real and personal properties.

ABCIC Property Holdings, Inc.

ABCIC Property Holdings, Inc. was incorporated and registered with the SEC on May 4, 2012 and is primarily engaged in selling real and personal properties.

Hospitality Group

PHINMA Hospitality

PHINMA has a direct 23.75% equity interest in Coral Way, owner of Microtel by Wyndham Mall of Asia. Coral Way has a wholly owned subsidiary, Krypton Esplanade Hotel Corporation, which owns the TRYP by Wyndham

Mall of Asia. PHINMA, through API, has also a 36.23% equity interest in PHINMA Hospitality, the hospitality arm of the Group.

PHINMA Hospitality, operates 14 Microtel by Wyndham hotels and one 191-room TRYP by Wyndham hotel in the country.

Entity	Location	# Rooms
1. TRYP Mall of Asia	Pasay City, Metro Manila	191
2. Microtel Mall of Asia	Pasay City, Metro Manila	150
3. Microtel UP Technohub	Quezon City, Metro Manila	120
4. Microtel Batangas	Sto. Tomas, Batangas	78
5. Microtel South Forbes	Silang, Cavite	61
6. Microtel Boracay	Malay, Aklan	51
7. Microtel Puerto Princesa	Puerto Princesa City, Palawan	50
8. Microtel Tarlac	Tarlac City, Tarlac	50
9. Microtel Cabanatuan	Cabanatuan City, Nueva Ecija	50
10. Microtel Baguio	Baguio City, Benguet	92
11. Microtel Acropolis	Quezon City, Metro Manila	84
12. Microtel Cavite	General Trias, Cavite	57
13. Microtel Davao	Davao City, Davao del Sur	51
14. Microtel General Santos	General Santos City, South Cotabato	65
15. Microtel Pampanga	San Fernando City, Pampanga	80
Total no. of rooms		1,230

Microtel by Wyndham is an international chain of limited service hotels under Wyndham Hotel Group with 300+ Microtel properties worldwide, including 14 in the Philippines. Microtel by Wyndham pioneered the no-frills hotel concept in the country that targets the mid-market traveler. It focuses on providing consistently clean, comfortable and secure accommodations at value rates. The group's well-knit team of experienced and competent professionals is passionate about guest satisfaction, with a strong commitment to deliver excellent customer service, and value priced accommodations and services at international standards. Microtel by Wyndham Mall of Asia's guests are mostly business and leisure travelers. 2019 average occupancy was 83.30%, driven by conventions and events in SMX Convention Center, Mall of Asia Arena and other venues, increasing business activities in the area, and proximity to the airports, business hubs, malls, commercial centers, and leisure destinations.

TRYP by Wyndham is a select-service hotel chain located in many of the most exciting cities such as Paris, Berlin, Barcelona, New York, São Paulo, Brisbane and Manila. It targets today's modern travelers with its hip, young and energetic interiors, and amazing views of the city and Manila Bay. It offers specialty rooms such as the Family Room with bunk beds, Loft with spacious living area and bunk beds in the upper level, and Fitness Room complete with exercise equipment.

Below are occupancy rates of the PHINMA's investee hotels through Coral Way from 2018 to 2020:

Entity	# Rooms	Occupancy %		
		2018	2019	2020
Microtel Mall of Asia	150	86.65%	83.30%	76.71%
TRYP Mall of Asia	191	55.40%	75.51%	72.46%

Others

Career Academy Asia, Inc.

Career Academy Asia, Inc. (CAA) was incorporated and registered with the SEC on November 28, 2014. Its primary purpose is to organize, establish, maintain and conduct a non-sectarian institution of learning and to operate schools for all levels below tertiary level. On July 12, 2019, the BOD and stockholders of CAA approved the cessation of its operations effective March 31, 2019.

One Animate Limited

One Animate Limited was a limited liability company incorporated in Hong Kong in October 2008. It was primarily engaged in animation services and owns 100% of Toon City Animation, Inc. One Animate Limited is 80% owned by PHN and 20% by PHI. One Animate Limited, and its wholly owned subsidiary, Toon City Animation, Inc., ceased operations in April 2013.

Toon City Animation, Inc.

Toon City Animation, Inc. was a wholly-owned subsidiary of One Animate Limited, and was incorporated to engage in the business of conducting, carrying on, and operating a film, video, television, and animation production company, and to produce film, video, television and animated productions for export. Toon City Animation, Inc. ceased operations in April 2013.

KEY STRENGTHS

PHINMA believes that its principal strengths include the following:

- *Multi-Generational Management Expertise Across Multi-Sector Industries*

PHINMA was founded and continues to be guided by a well-respected group of Filipino industrialists. Since its incorporation, the Company has developed a strong reputation for management excellence. PHINMA has had 3 Chief Executive Officers in its history, all of whom were recognized by the Management Association of the Philippines as Management Man of the Year:

1. Ambassador Ramon V. del Rosario, Sr. – Management Man of the Year 1988
2. Mr. Oscar J. Hilado – Management Man of the Year 1991
3. Mr. Ramon V. del Rosario, Jr. – Management Man of the Year 2010

The management teams of PHINMA and its strategic business units, including Construction Materials, Education, Properties and Hospitality, boast decades of collective experience in their respective industries.

PHINMA also benefits from the collective experience and management expertise of a highly regarded Board of Directors.

- *Strategic Cross-Business Synergies*

The Construction Materials Group, composed of UGC, Philcement, and PHINMA Solar, aims to maximize synergies among the various companies within the group to provide innovative construction solutions to its customers by offering one-stop shop services from floor to roofing, providing superior convenience and service to customers nationwide. PHINMA Solar's synergy with UGC enables the Company to offer one-stop combination of roofing and solar power generation solutions to clients, gaining competitive advantage, particularly when rehabilitation of roofing is required prior to installation of the panels.

PHINMA Solar supplied and installed solar rooftop panels in COC and UPang to reduce electricity expenses, reduce carbon emissions and benefit from cross-selling opportunities with other businesses.

- *Wide Distribution Network with Flexible and Cost-Efficient Supply Chain*

UGC leverages on its nationwide distribution and manufacturing footprint to ensure its products are readily available on the market. This advantage was proven during the pandemic, as products remained to be available despite travel restrictions. UGC can both manufacture and import supply, giving flexibility to quickly produce and fulfil large, customized orders, or import products for customers with less time sensitivity. The company maintains an optimum product inventory which balances availability and speed of order fulfillment versus cost of working capital.

On Philcement, its key strengths include its strategic partnerships, lean management team, and efficient distribution network. The Mariveles Cement Facility can easily load cement into vessels and transport products out to different ports nationwide, while being able to dispatch cement products via bulk or cargo trucks for land transport. This provides a significant competitive advantage compared to landlocked cement plants. Philcement has been able to competitively serve areas that are generally less accessible due to cost of transportation and location. During the lockdown, Philcement utilized efficient means of distribution to serve its customers despite various imposed restrictions.

Philcement's state of the art terminal in Mariveles uses the latest equipment that reduces truck loading and dispatch times. This results in superior dispatch speed, order fulfillment, and overall customer service compared to traditional integrated cement plants in the country. For bagged orders, cement is efficiently packed using mechanized packers, requiring minimum manual labor for bagging and loading. For bulk orders, the company uses bulk loaders to load cement from storage silos directly onto bulk trucks, also with minimum manual labor. A dedicated truck staging and dispatch area at the Mariveles Cement Facility I also ensures a quick and orderly loading process which also reduces total dispatch times. Resulting truck turnaround time at the Mariveles Cement Facility I average is comparatively short, allowing for a higher frequency of withdrawal by customers and less waiting time for trucks and logistics personnel.

- *Superior Product and Growing Brand Reputation*

Philcement's high-quality cement has resulted in growing re-acceptance and preference for Union Cement, particularly by large institutional bulk cement buyers. Philcement's bulk cement exceeds the Philippines Standards Authority's 7-day strength test, meeting the requirements within 3.50 days, compared to an average of 6 to 7 days for locally manufactured cement. The superior strength enables substantial savings on the part of the buyers, building loyal bulk cement customers. Philcement's Cement Union V Ultra Strength 50 and Union V Super Strength 40 bagged cement also exceeds local and international standards for cement, while Union Type II bagged cement provides compliant and reliable solutions for construction applications which require moderate heat of hydration and sulfate resistance.

PHINMA Education has fielded 101 Board Exam Topnotchers since acquiring its first school in 2004. Around 81% of graduates are accepted into their first job within one (1) year from graduation. By placing more resources into building meaningful relationships with partner companies and organizations, as well as focusing on core work skills, the company expects the employability of its graduates to increase in the coming years

- *Sustainable and Integrated Expansion of the Educational Services Business*

Upon acquisition of a new school, PHINMA Education undertakes a program to improve both physical facilities and the quality of education, which results in better marketability of the programs and increased enrolment. The schools are integrated into PHINMA Education's Learning Model, an in-house developed set of processes and best practices that combines traditional classroom instruction, guided exercises, and audio-visual instruction. Quality of education is improved while costs are also reduced, resulting in higher enrolment and improved profitability for the schools. Costs are also reduced due to economies of scale as uniform academic programs and processes are rolled out across several schools.

PHINMA Education grows enrollment organically by setting up school branches separate from the main campus which extend the geographic reach of the main campus while still employing existing school licenses. In parallel to the company's organic growth, PHINMA Education actively pursues acquisition of more schools to increase its network. The company has a dedicated team developing a pipeline of acquisitions identified based on criteria including geographic priorities of the company.

In 2020, PHINMA Education acquired RCL, which offers Junior and Senior High and undergraduate courses in Education, Business Administration, Office Administration, and Industrial Technology. RCL is PHINMA Education's first school in a planned Laguna network. This strategy creates networks of schools with integrated operations, reducing average administrative costs and facilitates management and operation. Pursuant to said strategy, on 23 April 2021, PHINMA Education, with CARD, entered into a Share Purchase Agreement with controlling stockholders of UCL, an educational institution located in Sta. Cruz, Laguna, Philippines. Under the said Agreement, said stockholders agreed to sell, and PHINMA Education and CARD agreed to acquire, the shares of stock of said stockholders in UCL. PHINMA Education purchased shares equivalent to 65.76% of total outstanding shares including 90% of total voting shares, for the purchase price of ₱85.49 million for the voting shares and ₱2.67 million for the non-voting shares.

- *Strong Talent Management Across the Group*

In line with its reputation for management excellence, PHINMA believes in developing talent within the organization to deepen the bench in anticipation of future growth. PHINMA has undertaken measures to provide our workforce with training programs for the development of their potential. The company focuses on the continuous development of our people through leadership and competency-based training.

In 2020, PHINMA employees attended training programs including coaching, management, sales, technical skills, and employee wellness. Mentorship and cross-function training were also made available to high-potential employees.

PHINMA also values diversity in its workforce and provides equal opportunity to all stakeholders. No preference is given on the basis of gender, cultural background, religion, political affiliation, and/or ethnicity.

CORPORATE STRATEGY

1. Head Office Strategy

Enhance the value of its various business segments through a structured portfolio approach

PHINMA aims to cement its long-term foothold in the country by engaging in and supporting businesses that Make Lives Better, while ensuring sustainability and enhancing shareholder value. PHINMA will achieve this through organic and inorganic growth, by driving its business segments to diversify product portfolio, expand in new territories, and increase market competitiveness and visibility.

PHINMA is currently focused on growing its two major business segments, Construction Materials and Education, where it has strong competitive advantages. Property Development and Hospitality are viewed as synergistic industries to complement the Construction Materials business, while the solar energy business is limited to rooftop solar projects to complement the Company's roofing business.

To focus on its two major business segments, PHINMA sold its equity interests in its strategic consulting company Integrative Competitive Intelligence Asia, Inc. (ICI Asia) in September 2020 to support the ability of the Company to focus on the growth of its core businesses.

Provide strong parent support to optimize growth opportunities and sustainability

PHINMA continues to identify synergies across business segments to provide more value-added products and services leading to increased profitability, cost savings, and operational efficiencies. PHINMA will focus its investments in industries where it has a competitive advantage and where it makes a significant social impact.

The Company believes in developing and maintaining its bench of management talent through a mix of on-the-job training as well as formal training programs. PHINMA employees are deployed to support Strategic Business Units especially in sharing competencies developed at the Head Office level.

Provide prudent financial and liquidity management to support both growth and risk management

Treasury management services are centralized at the Head Office. This allows for the alignment of financial objectives and the efficient allocation of capital to support growth, while ensuring that funds are available when necessary. Such practices are supported by risk management policies, which continuously analyze and review risks to the portfolio, ensuring prudent risk mitigation.

2. Business Segment Strategy

Construction Materials Group

Strong management presence and leadership to empower growing teams and businesses

The Construction Materials Group is led by a strong management team with decades-long experience in the industry, particularly in both steel building products and cement. In support of this management team, PHINMA employs a shared services business model to improve synergy across the three companies within the group and to realize resulting cost savings.

Develop superior products and services through strategic regional partnerships that elevate technical know-how

Outside the Philippines, PHINMA has entered into an agreement to invest USD \$50.00 million into Song Lam Cement Joint Stock Company, which will geographically diversify the construction materials portfolio and enable the Company to participate in the fast-growing cement market in Vietnam.

Agility to capture opportunities by continuously strengthening internal capabilities and improving operational efficiency

UGC has ongoing discussions with a foreign technical partner for a joint venture agreement to manufacture PU insulated panels typically used in cold storage applications. Although UGC already manufactures PU insulated roofing and panels, the advanced technology and manufacturing techniques available from the joint venture partner will enable the joint venture to offer more technically advanced products and solutions needed for use in the cold chain industry. The cold chain sector is viewed to be a growth industry which will benefit as climate change increases the need for cold chain and storage for food producers and distributors, and will effectively enable nationwide food security. In addition, the nationwide vaccine rollout and pharmaceutical handling also requires cold chain storage as an integral component in logistics.

Grow market presence by capitalizing on consumer trends and leveraging synergies and brand of the Construction Materials Group and PHINMA Group

PHINMA Solar seeks to capitalize on the opportunity presented by the declining cost of solar energy panels, rising levels of environmental awareness, and government initiatives mandating the use of renewable energy sources, to offer rooftop solar energy power generation solutions to its clients. With renewable solar rooftop solutions becoming more acceptable to commercial and industrial customers, PHINMA Solar expects to grow its presence significantly over the medium-term.

Although the market for solar energy solutions providers is fragmented, PHINMA Solar's competitive advantage is its synergy with UGC, which enables the Construction Materials Group to offer a one-stop combination of roofing and solar power generation solutions to clients. This gives the company an advantage over competitors particularly when rehabilitation of roofing is required prior to installation of the panels. PHINMA Solar plans to capitalize on such synergies by offering bundled value-added services.

Increase profitability through expanding capacity and diversifying product line

The Construction Materials Group is evaluating potential investments in projects that will increase profitability by expanding capacity. The Construction Materials Group is a beneficiary of the fast-growing Philippine Construction sector. Despite the decline in 2020 due to the pandemic, the sector is projected to post a strong recovery as private sector construction activities begin to rebound from the pandemic and as government fast tracks the delayed implementation of infrastructure projects in advance of the 2022 national elections.

Philcement is also looking to pursue projects over the medium-term which will enable the company to produce blended cement domestically.

Education Group

Increase enrollment through organic growth as well as acquisitions

The main business of PHINMA Education is to provide affordable and accessible basic and tertiary education to a low-income market. As the objective of programs such as Nursing, Criminology, Education, and Medicine is the immediate employability of graduates, the quality of such programs are assessed through the performance of graduates in board accreditation exams.

PHINMA Education will continue efforts to increase enrollment through its marketing initiatives and increasing capacity by constructing new classrooms to accommodate more students when face-to-face classes resume. PHINMA Education also will continue to evaluate potential acquisitions in urban and developing urban centers in the Philippines that will have synergies with the existing schools in the network.

Expand network in comparable international markets where best practices can be leveraged

PHINMA Education plans to enter markets in other countries with demographics like the Philippines where it can leverage on existing processes and best practices in the area of affordable education, and where it has strong local partnerships. Indonesia has been identified as an area of considerable opportunity due to its large population, similar demographics, and an underserved market. The target is to grow Indonesian enrollees to 150,000 within the next 10 to 12 years.

In Indonesia, PHINMA Education is majority shareholder in IPM which manages schools for the Yayasan Triputra Persada Horizon Education Foundation. The two programs under management are STMIK (Information Technology) and STIKES (Nursing) programs of Kharisma school in Karawang, Indonesia. The company is in discussions with its Indonesian partners to add a third program in Karawang as well. Other than Indonesia, PHINMA Education is considering Southeast Asian countries with similar demographics, including Vietnam, Laos, and Cambodia.

Develop and strengthen the PHINMA Education Learning Model to adapt to a changing market

In response to the national and local government suspension of face-to-face classes, PHINMA Education piloted two distance learning models to continue to deliver affordable education to its core low income market. Flex Learning allows students the flexibility to revert to face-to-face classes once these are allowed, while Remote and Distance ("RAD") Learning is largely home-based with a modular schedule. For both modes of learning, teachers conduct periodic check-ins via phone calls and online messaging platforms to keep students motivated and on track with their coursework. PHINMA Education also ensures that both teachers and students are equipped with

the tools needed for the new environment such as partnerships with leading telecommunications companies to provide monthly mobile data at no additional cost to students.

PHINMA Education believes that the pandemic has fundamentally changed the model of education. While the shift to digital platforms was sudden, aspects of this transition will remain in place in the future to accommodate changing demographics and to reach students beyond the geographic regions of its schools.

Properties Group

PPHC shall continue to implement its 5-year plan to support growth in new locations outside of Metro Manila developing pipeline projects to secure future growth and profitability. Nationwide, a 2016 study conducted by the University of Asia and the Pacific projects the housing backlog to increase to 12.3 million by 2030.

Focus expansion on growing urban centers

Given the latent demand, limited supply, and increasing property prices within Metro Manila, PPHC will focus outward. PPHC has current and future planned developments in Davao City in both the affordable condominium as well as high-end townhouse segment. PPHC also continues to increase its presence in key cities in the Visayas region.

After establishing a presence in Davao through the Arezzo Place project, the company is developing other projects including Likha Davao, a 1.7-hectare high-end townhouse project and Tugbok Davao, a 10-hectare economic housing project South of Davao City. In Cebu, the company began construction last September 2020 at Uniplace Cebu at SWU Village. This project consists of 440 units, some to be sold with a portion retained and operated as a dorm for students. PPHC also started initial project development on a 10-hectare economic and affordable horizontal housing project in San Jose, Batangas.

In Metro Manila, PPHC continued developing its Metrotowne project in Las Pinas City - a 2.1- hectare vertical condominium project. Moving forward, PPHC is looking to landbank, invest, and build its brand and presence in major cities in other growing regions.

Strengthen presence in attractive niche markets

Previously, the company launched the Pathways brand, which is a recurring-income business line operating in the shared economy space. In 2019, the company's Acceler8 joint-venture co-working facility in Rockwell Center became fully operational, attracting a loyal clientele in its first year of operations. The company also looks to open its first co-living space at its Sofia Bellevue project in Quezon City. Moving forward, PPHC will be developing other Pathways projects, including a co-living project in Pasay City, and hopes to develop more, as shared economy rental models address the flexible needs of a young and mobile market.

Hospitality Group

The COVID-19 pandemic has severely affected the hospitality industry. The restrictions on land, air and sea travel worldwide, reduction in business and leisure travel, and health and safety concerns continue to affect the demand for accommodations.

Capitalize on strong institutional relationships and corporate partnerships

Although PHINMA Hospitality has implemented various initiatives to remain resilient during this crisis, it remains uncertain when the Philippine hospitality industry will return to pre-pandemic levels. Progress in the industry is driven by many factors, including international and domestic travel restrictions, the pace of the vaccine rollout program, and travel behavior of the underlying market. To address this, PHINMA Hospitality will leverage on strong, existing institutional relationships and corporate partnerships to attract local and international travelers and guests, an example of which was the offering of long-term stay packages to corporate partners when ECQ was imposed in March 2020. The long-term stay packages provided the employees of PHINMA Hospitality's corporate partners easy access to their respective office facilities at a time when public transportation options were limited.

PHINMA Hospitality is likewise evaluating implementing new marketing campaigns in order to increase occupancy.

Implement flexible and agile operations amidst gradual recovery from the pandemic

As the industry recovers from the COVID-19 pandemic, it is important for PHINMA Hospitality to remain flexible and agile to address the needs of guests and to ensure that occupancy targets are attained. PHINMA Hospitality is led by an experienced management team with executive experience in hotel operations both in the Philippines and internationally.

When the Philippine government placed the country under community quarantine starting in March 2020, the two hotels quickly mobilized to serve as quarantine hotels, providing accommodations to returning OWWA repatriation program.

Continuously implement safety and health protocols as well as sustainable practices

Moving forward, PHINMA Hospitality will continue to be flexible and agile, and will continue to enhance health and safety measures and business processes to build trust and confidence among clients and stakeholders as it prepares for a recovery in the hospitality industry. PHINMA Hospitality also aims to reduce operations and overhead costs, implement cash preservation measures, and continue re-tooling of services offered to improve margins and to enable the hotel properties to sustain optimal room rates.

RESPONSE TO COVID-19 PANDEMIC

In 2020, national and local government restrictions on work, travel, and face-to-face classes in response to the COVID-19 pandemic resulted in significant challenges to the Company's education, construction materials, hospitality, and properties businesses. PHINMA's immediate response was to prioritize the health and safety of its stakeholders - encouraging students to stay home, arranging for remote work for employees, instituting sanitation protocols at facilities, and enabling remote transactions for customers. After securing the safety of its people, the Company took a strategic view on how to adapt its businesses to improve its ability to provide essential products and services that make the lives of Filipinos better.

Construction Materials Group

In response to the challenging times brought about by the pandemic, the Construction Materials Group recalibrated operations to future-proof its business. In line with PHINMA's priorities, the Construction Materials Group prioritized the safety of its people and enhanced protocols to maintain a safe working environment for employees and customers. The Construction Materials Group also automated facilities and digitized processes allowing it to manage operations remotely with fewer people on the ground, which proved beneficial in managing the transition from lockdown to full operations and vice versa.

Philcement leveraged strong partnerships to support reliability and availability of the legacy Union Cement brand in the market, delivering on its commitment to provide high-quality cement to Filipinos nationwide. During the lockdown, the Philcement utilized its ability to distribute cement through waterways when land travel was constricted.

PHINMA Solar shifted focus to serve more pandemic resilient industries with renewable rooftop solutions in response to increased customer demand. PHINMA Solar also explored various related products and solutions to further diversify its business portfolio.

The various Construction Materials Group companies, after experiencing initial operations shutdowns in March 2020 due to COVID-19 lockdowns, all resumed full commercial operations by mid-2020 and continue to operate at full capacity as of May 2021.

Education Group

In response to national and local government suspension of face-to-face classes, PHINMA Education piloted distance learning models to continue to deliver affordable education to its core low income market. Recognizing the challenges of limited access to the internet, the learning models involved independent student coursework supplemented by periodic teacher check-ins and peer support. Flex Learning allows the students the flexibility to revert to face-to-face classes once these are allowed, while RAD Learning is largely home-based with a modular schedule. For both modes of learning, teachers conduct periodic check-ins via phone calls and online messaging platforms to keep students motivated and on track with their coursework. PHINMA Education also ensure that both teachers and students are equipped with the tools needed for the new environment. Partnerships with leading telecommunications companies and an education financing platform provided access to affordable mobile data and gadget installment plans.

PHINMA Education provided both students and teachers the tools to work in the new environment, through tie-ups with telecommunication companies to provide students monthly mobile data allocation at no additional cost. For its graduates, PHINMA Education partnered with an international blockchain company to release digital graduation certificates so that fresh graduates could send credentials to prospective employers who could verify them remotely during the job application process.

SY 2020-2021 opened with PHINMA Education's first virtual gathering which brought together more than 2,000 students, alumni, faculty, and staff from the eight Philippine schools across the country. For its graduates, the company partnered with Edufied, a leading blockchain company in Singapore, on the issuance of digital certificates which facilitated online job applications. Despite the challenges faced by the education industry, PHINMA Education still welcomed 71,659 enrollees in the Philippines in 2020, only a 3.41% decrease from the

previous year. PHINMA Education offered more scholarships this past year, to enable more students to continue their learning journey despite the economic challenges faced by their families.

PHINMA Education continued its focus on quality education, providing its graduates opportunities for a better life by ensuring they are fully equipped for their respective careers. PHINMA Education graduates continue to perform well in board exams despite the pandemic and the suspension of many of the board accreditation exams. Significantly, three (3) SWU PHINMA School of Medicine graduates topped the 2020 Physician Licensure Exams.

The various PHINMA Education Philippine schools, after experiencing operations shutdown in March 2020 due to government suspension of face-to-face classes, all resumed education operations using distance learning models by September 2020. As of May 2021, distance learning models are still ongoing at all Philippine schools as the Philippine government has still not yet allowed face-to-face classes.

Properties Group

PPHC adapted to new ways of doing business by focusing efforts on the safety and well-being of employees and its residential communities. New project launches were postponed to conserve resources amid reduced demand and business activity, for resumption once market demand improves. PPHC also accelerated shifts to digital marketing and transactions processing to enable a safe resumption of operations. PPHC worked closely with regulators and other stakeholders to help formulate new policies to revive the Philippine Housing Industry in the wake of the pandemic. In response to the pandemic, the company has redesigned existing vertical developments to incorporate safety protocols and is considering more horizontal developments as it anticipates increased buyer preference for less dense living spaces.

In line with PPHC' expansion to other growing urban centers around the country, PPHC continues to establish a presence in Davao City thru several developments currently in the permitting stage. South of the city is a 10-hectare row housing development in Maayo, Tugbok to launch by the third quarter of 2021. The company has also ventured into a new market segment through Likha Davao a high-end townhouse development targeted to launch by the fourth quarter of 2021. The company also continues to increase its presence in other key cities in the Visayas region.

PPHC, after experiencing initial operations shutdown in March 2020 due to lockdown restrictions, resumed construction operations by mid-2020 at various sites subject to restrictions that workers were required to be housed and quarantined at the construction premises. Subject to these continuing restrictions, full operations at construction sites are currently ongoing as of May 2021.

Hospitality Group

Although Microtel and TRYP hotels experienced strong occupancy rates in previous years, the pandemic severely challenged the hospitality industry. The restrictions on land, air and sea travel worldwide, reduction in business and leisure travel, and health and safety concerns continue to affect the demand for accommodations.

To address the COVID-19 situation, Microtel by Wyndham Mall of Asia and TRYP by Wyndham Mall of Asia enhanced their health and safety protocols and complied with the guidelines set by the Inter-Agency Task Force on Emerging Infectious Diseases, Department of Health, Department of Tourism and the local government units.

When the Philippine government placed the country under community quarantine starting in March 2020, the two hotels quickly mobilized to serve as quarantine hotels, providing accommodations to returning Overseas Foreign Workers and returning Overseas Filipinos under the OWWA repatriation program. The two hotels also provided accommodations to seafarers from various shipping companies and corporate personnel requiring quarantine and business continuity facilities. COVID-19 infections have been successfully avoided through strict and consistent protocols within the facilities.

The COVID-19 outbreak could still have a material impact on its 2021 financial results and even periods thereafter. Considering the evolving nature of this outbreak, the Group cannot determine at this time the impact of the pandemic on its financial position, performance and cash flows.

As of May 2021, Microtel by Wyndham Mall of Asia and TRYP by Wyndham Mall of Asia continue to serve as quarantine hotels providing accommodations to overseas Filipinos under the OWWA repatriation program as well as to seafarers from various shipping companies.

REVENUE MIX

The breakdown of consolidated revenues per business segment as of December 31, 2020, 2019 and 2018, and for the three (3) months ended 31 March 2021, are as follows:

	For years ended						Three months ended	
	December 31, (Audited)						March 31, (Unaudited)	
	2018		2019		2020		2021	
	<i>In ₱ Mn</i>	%	<i>In ₱ Mn</i>	%	<i>In ₱ Mn</i>	%	<i>In ₱ Mn</i>	%
Construction Materials	7,263.54	73.15%	8,227.07	72.65%	10,119.13	82.26%	2,971.34	76.57%
Educational Services	2,523.05	25.41%	2,925.16	25.83%	2,094.99	17.03%	895.40	23.07%
Property	2.57	0.02%	7.17	0.06%	11.01	0.09%	4.30	0.11%
Others	529.56	5.33%	568.18	5.02%	506.16	4.11%	10.29	0.27%
Eliminations	(388.62)	(3.91%)	(402.67)	(3.56%)	(429.54)	(3.49%)	(0.85)	(0.02%)
Total	9,930.10	100.00%	11,324.91	100.00%	12,301.75	100.00%	3,880.48	100.00%

Except for operations of PHINMA Education affiliates in Indonesia and Myanmar, the Group conducts its business in the Philippines. The percentage of foreign income to consolidated net income for calendar years 2020, 2019, and 2018, and for the three (3) months ended March 31, 2021 are as follows:

in ₱ millions	For years ended			Three months ended
	December 31, (Audited)			March 31 (Unaudited)
	2018	2019	2020	2021
*Total Foreign Income (Loss)	(4.51)	(1.56)	5.70	1.68
Consolidated Net Income	174.82	437.12	521.94	528.99
% of Total Foreign Income (Loss) to Consolidated Net Income	(2.58%)	(0.36%)	1.09%	0.32%

*Equity in net earnings (losses) of joint ventures

Consolidated revenues of the Group is primarily derived from the Philippines. Foreign income (loss) are equitized earnings of PHINMA Education from its investments in joint ventures.

DISTRIBUTION

Through its various business segments, the Group is present in the following areas:

Strategic Business Unit	Location	Method of Distribution
Construction Materials	Agusan del Norte Bataan Batangas Benguet Cagayan de Oro Camarines Sur Cavite Davao Isabela Ilocos Sur La Union Leyte Metro Manila Misamis Occidental Negros Occidental Pampanga Pangasinan Quezon Rizal South Cotabato Zamboanga del Sur	Construction materials are distributed through a nationwide network of resellers including retailers, hardware stores and dealers. Construction materials are also sold directly to large institutional buyers such as contractors and developers.
Education	Cagayan de Oro Cebu Iloilo Metro Manila Nueva Ecija Pangasinan Laguna Karawang, Indonesia Yangon, Myanmar	Education services are provided where the various PHINMA Education schools are located, principally in the Philippines and also in Indonesia. Operations in Myanmar ceased in 2020.
Properties	Bulacan Cavite Cebu Davao Laguna Metro Manila	PPHC offers affordable housing at projects in various urban locations in the Philippines

Strategic Business Unit	Location	Method of Distribution
Hospitality	Aklan Batangas Benguet Cavite Davao del Sur Metro Manila Nueva Ecija Palawan Pampanga South Cotabato Tarlac	PHINMA Hospitality offers hotel accommodation services at 15 hotels located in various cities in the Philippines. These include hotels owned and/or operated by PHINMA Hospitality

COMPETITION

Construction Materials Group

UGC

For steel roofing, UGC’s main competitors are Puyat Steel, DN Steel, and Sonic Steel/United Steeltech Group. In terms of relative nationwide market share size in this category, it is estimated that UGC is roughly the same size as Puyat Steel and DN Steel, and a little over half the size of Sonic Steel/United Steeltech Group.

UGC’s range of products in this category include: pre-painted galvanized sheets, galvanized sheets, light steel frames, purlins, and metal decking. In comparison, UGCs major competitors have a similar product range. UGC has a nationwide distribution network. In comparison, UGCs major competitors are also present nationwide. UGC effectively competes in the area of customer service, where its wide distribution network and speed of order fulfilment ensure its products are readily available in the market at the location and within the timeframe required by its customers.

For PU products, UGCs main competitors are DYD/Ultra, and iSteel. UGCs Range of products in this category includes Insulated Roofing, Insulated Sandwich Panels and Doors.

Philcement

Philcement’s main competitors are Lafarge Holcim, Republic Cement, Eagle Cement, Northern Cement, and Cemex. It is estimated that in terms of relative nationwide market share size, Lafarge Holcim has the largest share, while Philcement has the smallest share among the aforementioned market players. Lafarge Holcim, with cement plants in La Union, Bulacan, Misamis Oriental, and Davao and terminals in Visayas and South Luzon, has nationwide market presence. Eagle Cement and Northern Cement’s integrated cement plants are primarily focused on Luzon, with Northern Cement covering the areas of Northern Luzon while Eagle Cement Bulacan operations concentrate on Central Luzon, NCR, and South Luzon. Republic Cement, similar to Lafarge Holcim, maintains a nationwide market presence with several plants located mostly in Luzon, a grinding plant in Cebu, and its Iligan Cement plant in Lanao Del Norte. Cemex Philippines, with the Solid/Rizal cement plants in Antipolo City, Rizal and Apo cement plants in Naga, Cebu, has market presence in NCR and South Luzon and Visayas, respectively. Apart from Eagle Cement, many of these plants have been and continue to import clinker and, at many times, cement, to augment their supply.

Although Philcement’s main facility is in Mariveles Bulacan, its port facilities provide transport flexibility to its customers. The facility can easily load cement to vessels and transport them out to different ports nationwide, while it can also dispatch cement products for land transport. This provides a significant competitive advantage

compared to landlocked cement plants which have no choice but to traverse congested road networks. Philcement has been able to competitively serve areas such as Ilocos in North Luzon, Metro Manila, and islands in the MIMAROPA and the Visayas regions through vessels - markets which are very hard and costly to reach unless a cement plant is nearby.

In terms of pricing, Philcement recognizes the importance of quality of cement for its customers, while understanding the competitiveness of the market. As a new competitor, Philcement prices its products competitively against local cement brands. For the bulk market segment where quality is of paramount significance, Philcement is also able to price competitively, while ensuring that it maintains consistent quality and reliability of supply for its customers.

Education Group

The competitors of each PHINMA Education school vary depending on the location of each school, as well as the presence of both private and public schools in the area catering to the low income market. In general, the PHINMA Education Schools in terms of enrolment are among the top 5 private schools operating in their respective localities, with the exception of the newer acquisitions: SJCI, RCI, and RCL.

For SY 2020-2021, total PHINMA Education system wide enrollment of 71,659 students places PHINMA Education as one of the largest private higher educational institutions in the country. Including its operations in Indonesia, PHINMA Education's total enrollment in SY 2020-2021 is 72,746.

Total tertiary enrolment in the Philippines is currently estimated at around 3.4 million, resulting in an estimated nationwide market share of around 2.2% for the PHINMA Education Schools in aggregate. Table below presents top private higher educational institutions nationwide by enrolment:

Top 5 Private Higher Educational Institutions by Enrollment, SY 2015/2016¹⁷

1.	University of Sto. Tomas	44,769
2.	Saint Louis University	32,725
3.	South UPI College	29,052
4.	ICCT Colleges	26,833
5.	University of Cebu	26,593

Table below presents the top 5 SUCs nationwide in terms of enrolment. While the passage of the Universal Access to Tertiary Education Act removed tuition as an admission requirement, the SUCs' capacity to accept enrollees is still limited by capacity constraints and by its academic admission requirements. Hence, even with the passage of this law, PHINMA Education enrollments grew, especially since many of its low-income students are qualified to receive the Tertiary Education Subsidy.

Top 5 SUCs by Enrollment, SY 2019/2020¹⁸

1.	University of the Philippines	57,387
2.	Polytechnic University of the Philippines	56,928
3.	Cavite State University	43,634
4.	Cebu Technological University	41,395
5.	Batangas State University	39,955

In terms of tuition fees, average annual tuition fees of PHINMA Education schools are around ₱18,000-25,000 per annum, compared to the following schools which are direct competitors. SWU, PHINMA Education's mid-income school, charges average annual fees of ₱35,000 which is in the mid-range of the private school market in Cebu.

¹⁷ CHED website

¹⁸ CHED website

In terms of Program offerings, the PHINMA Education Schools carry course offerings designed toward employability of graduates, including programs such as BS Business Administration, Education, Nursing, IT, and Civil Engineering. These same programs have the highest enrollment in the country and are likewise offered by competitors.

PHINMA Education Schools have an established track record in producing national licensure exam topnotchers in programs such as Nursing, Medical Technology, Medicine, Engineering and Criminology. COC is recognized by the CHED as a Center of Excellence in Criminology.

Competitors in Indonesia

PHINMA Education entered into a joint venture agreement with Tripersada Global Management for the establishment of IPM in 2019. It oversees tertiary institutions for Yayasan Triputra Persada Horizon Education. The first school in Indonesia is STIKES and STMIK Horizon in West Java, Indonesia. Together, they presently have a combined enrollment of 1,087 students. STIKES delivers nursing programs, while STMIK delivers Information Technology (IT) programs. It is the only nursing school in Karawang. Its main competitors can be found in the table below.

PHINMA Education Schools and Their Major Competitors, Indonesia, SY 2020/2021

School	Freshmen Enrollment	Total Enrollment	Tuition (In ₱ Mn)
STIKES / STMIK Horizon	305	1,087	24,000 - 51,000 16,000 on scholarship
<i>Institut Medika</i>	349	778	52,000
<i>Universitas Singaperbangsa Karawang</i>	4,093	18,766	42,000
<i>STMIK Rosma</i>	104	556	15,120
<i>Universitas Buana Perjuangan</i>	148	8,218	49,000

STIKES/STMIK Horizon has a tuition fee range of around ₱24,000 - ₱51,000, at par with fees of direct competitor schools. PHINMA Education identifies Institut Medika and STMIK Rosma as closest competitors in terms of enrollment size and program.

Properties Group

PPHC caters to multiple customer segments, primarily single first-time home buyers, start-up families, and home upgraders. In 2018 and 2019, over 60% of the company's customers were aged 30 to 40 years old, with monthly income ranging from ₱25,000-₱100,000, and usually employed in high-skilled roles such as engineers, analysts, managers and business owners. This segment changed slightly in 2020 as the company saw a 4%-5% increase in the number of male customers aged 20-40 years old. Similarly, in 2020, the company saw an increase in 20-30 year old buyers, a younger market investing in homes, and an increase in middle to high income buyers. These segments are likely to grow in 2021 and beyond, with new projects attracting financially savvy professionals and OFWs. In 2020, despite the hit to the OFW market due to the coronavirus pandemic, the company's OFW customer segment remained on par with 2019 data, only dropping from 9% to 8% in 2020. To date, the majority of the company's customers are based in the Philippines, with 80% buying PPHC properties for residential purposes and around 20% purchasing for investment.

The main competitor of PPHC in the area of affordable housing is Amaia Land Corporation. In terms of annual revenue, PPHC is estimated to be around 25% the size of Amaia. While PPHC chiefly offers affordable medium rise condominiums, Amaia also offers horizontal products including house and lots and townhouses. In terms of location, Amaia's projects are, similar to PPHC, located primarily in the Greater Metro Manila area.

While competitors focus on speed and volume in their project launches, PPHC prioritizes construction quality and customer-oriented facilities and amenities. Site development plans and value-added services are designed

to improve the quality of life of first time Filipino homebuyers,

Although relatively small, PPHC competes by offering attractive products at the given price point. At the 2019 annual The Outlook real estate awards, PPHC won Best Boutique Developer – Luzon. PPHC also competes by ensuring its products are affordable for its target market. In 2019, PPHC was recognized by the Pag-IBIG Fund as one of the top 10 best performing developers in the NCR for the first half of 2019.

Hospitality Group

Microtel by Wyndham Mall of Asia and TRYP by Wyndham Mall of Asia, the two investee hotels of the Company, are both located in the Mall of Asia complex by Manila Bay. Competing hotels in this area include Hotel 101, Golden Phoenix, Hop Inn, Citadines, Hotel Jen, Midas, and Heritage. Microtel MOA and TRYP MOA are considered 3-star hotels, with average room rates, prior to the pandemic, of around P4,300. In contrast, other hotels in the area have pre-pandemic average room rates ranging from P3,300 to P4,800.

When the Philippine government placed the country under different levels of community quarantine starting in March 2020, the two hotels served as quarantine hotels and accommodated returning Overseas Foreign Workers under the Overseas Workers Welfare Administration repatriation program, returning Overseas Filipinos, seafarers from various shipping companies, and corporate accounts for their quarantine and business continuity program requirements. As a result, 2020 average room rates of both hotels are around 25%-27% lower than pre-pandemic levels. The other competing hotels in the area including Hotel 101, Golden Phoenix, Citadines, and Hotel Jen are also operating as quarantine hotels and as such their average rates are in the same range.

SUPPLIERS

Construction Materials Group

UGC

UGC's major raw materials in the production of color-coated sheets are galvanized iron sheets in coils or zinc-aluminum coated sheets in coils. The sources of galvanized and zinc aluminum coated materials are China and other Asian countries. As of today, there are no local manufacturers of these materials that can meet the quality of substrates for pre-painting.

UGCs sources steel coils from a minimum of five different suppliers and as such believes its supplier base is diverse enough so as not to pose a concentration risk to the company from the loss of any single supplier.

Philcement

Philcement currently sources substantially all of its imported cement from one of the biggest privately-owned cement joint-stock companies in Vietnam. The Vissai Group, through Viet Cement Terminal JSC, and PHINMA, are shareholders of Philcement and it is in the mutual interest of both companies that the Vissai Group continues to supply Philcement with cement. The cement supply agreements between Philcement and The Vissai Group are non-exclusive and as such, Philcement is free to source cement from other parties to ensure reliability in its supply chain.

To this end, Philcement has negotiated and developed cement supply arrangements with another supplier in Asia and continues to develop other sources of cement.

PHINMA Solar

PHINMA Solar's major inputs are provided by solar panel suppliers and Engineering, Procurement and Construction ("EPC") contractors for turnkey solar projects. Supply contracts are done on a per project basis. Prior to finalizing contracts, PHINMA Solar evaluates offers from a minimum of 3 different suppliers. The company purchases from several competing suppliers and believes there is no concentration risk from any one particular supplier.

Education Group

PHINMA Education schools have common suppliers for items including computers, providers of school IT systems, construction contractors, uniforms, and learning materials. PHINMA Education believes there is no concentration risk because no single supplier exerts any monopoly and there are several competing suppliers. The company benchmarks its supply costs against other schools in order to negotiate fair prices.

Properties Group

The main suppliers of PPHC for construction materials are Steelasia Manufacturing Corporation, Pag-Asa Steel works Inc, Philcement, Holcim Philippines Inc., Republic Cement, Omnico Consortium Inc., UGC, Sycwin Coatings and Wires Inc., Moldex Products Inc. and Atlanta Industries Inc. PPHC believes there is no supplier concentration risk because no single supplier exerts any monopoly over its industry and PPHC is free to select among several competing suppliers.

Hospitality Group

PHINMA Hospitality's Microtel by Wyndham and TRYP by Wyndham franchise hotels are free to select suppliers for major hotel items, including building construction contracts and furniture, fixtures, and equipment, on the condition that building designs and branding must adhere to hotel franchise requirement. PHINMA Hospitality believes there is no concentration risk because no single supplier exerts any monopoly and there are several competing suppliers for each category.

CUSTOMERS

The Company believes its customer base across all four (4) major business segments are diverse enough and no single customer make up more than 20% or more of PHINMA or the business segments group revenue.

Nonetheless, below is a breakdown of some of the Group's major customers.

Construction Materials Group

UGC

UGC serves the steel roofing requirements of end-users, developers, contractors, and dealers for residential, and commercial building applications and government projects including school buildings and military housing units. UGC also caters to the agribusiness sector such as the cold storage and poultry industries.

UGC Customer Categories Estimated Contribution to Revenue as of December 31, 2020

End Users	38.0%
Hardware Dealers	34.9%
Contractors	22.1%
Developers	4.6%
Others	0.4%

Philcement

Philcement's customers are grouped into the following segments: Contractor, Dealers, Developers, End-User, Hardware stores and Retailer, and Ready-Mix Players.

Philcement Customer Categories Estimated Contribution to Revenue as of December 31, 2020

Dealers	49.6%
Hardware and Retailers	26.1%
Contractors	12.7%
Developers	4.6%
End Users	2.0%
Others	5.0%

PHINMA Solar

PHINMA Solar's customers are mainly in industries including mall operations, manufacturing, schools, agribusinesses, hospitals, and hotel operations.

PHINMA Solar Energy Corporation Customer Categories Estimated Contribution to Revenue as of December 31, 2020

Malls	47.6%
Agriculture	25.9%
Manufacturing	17.5%
Others	9.0%

Education Group

Majority of PHINMA Education's students belong to the low-income market with an annual household income of ₱300,000.¹⁹ Average annual tuition fees across the PHINMA Education schools, which target the affordable segment, ranges from ₱18,000 to ₱25,000.

Properties Group

PPHC caters to multiple customer segments, majority of which are single first-time home buyers, start-up families, and home upgraders. In 2018 and 2019, over 60% of the company's customers were aged 30 to 40 years old, with monthly income ranging from ₱25,000.00 to ₱100,000.00, and usually employed in high-skilled roles such as engineers, analysts, managers and business owners. This segment changed slightly in 2020 as the company saw a 4-5% increase in the number of male customers aged 20-40 years old. Similarly, in 2020, the company saw an increase in 20-30 year old buyers, a younger market investing in homes, and an increase in middle to high income buyers. These segments are likely to grow in 2021 and beyond, with new projects attracting financially savvy professionals and OFWs.

In 2020, despite the adverse effect on the OFW market due to the coronavirus pandemic, the PPHC's OFW customer segment remained on par with 2019 data, only dropping from 9% to 8% in 2020. To date, the majority of PPHC's customers are still based in the Philippines, with 80% buying PPHC properties for residential purposes and around 20% purchasing for investment.

Hospitality Group

Prior to the pandemic, in terms of demographic profile, for guests staying at Microtel and TRYP Mall of Asia, 67% of guests are Filipino, with the balance of foreign guests primarily from China, Japan, Korea, and the USA. 51% are guests are leisure travelers, with the balance business travelers. In 2020, the greatest contribution to revenue came from the long-staying, corporate and government business segments at 38.34%, 21.69% and 14.13% respectively.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

Other than transaction disclosed in "*Certain Relationships and Related Party Transactions*", PHINMA has no dependence on any related parties.

INTELLECTUAL PROPERTY

Under the Intellectual Property Code of the Philippines, the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal government agency involved in the registration of brand names, trademarks, patents and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office shall issue a certificate of registration to the owner of the mark, which shall confer the right to prevent all third parties not having the consent of the owner from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered. The said certificate of registration shall also serve as prima facie evidence of the validity of registration and the ownership of the mark of the registrant. A certificate of registration shall remain in force for an initial period of ten (10) years, and may be renewed for periods of ten (10) years at its expiration.




¹⁹ Philippine Institute for Development Studies 2018 Annual Report

As of June 30, 2021, PHINMA and its subsidiaries have the following registered trademarks:

PHINMA, INC.

Registered Trademark	Date of Registration	Registration No.	Date of Expiration
Making Lives Better	2 October 2015	4/2015/00001382	2 October 2025

Construction Materials Group

Registered Trademark	Date of Registration	Registration No.	Date of Expiration
UGC Logo 1  UNION GALVASTEEL A PHINMA COMPANY	30 November 2017	4/2016/00014189	30 November 2027
UGC Logo 2  UNION GALVASTEEL A PHINMA COMPANY	30 November 2017	4/2016/00014190	30 November 2027
UGC Logo 3 UNION GALVASTEEL	2 March 2017	4/2016/00014188	2 March 2027
UGC Logo 4  UNION GALVASTEEL CORPORATION	8 June 2016	4/2001/00007745	8 June 2026
Duratile	4 September 2014	4/2014/00000624	4 September 2024
Duraseam	18 October 2018	4/2018/00000734	18 October 2028
Ecolume (Inactive)	7 April 2019	4/2018/00015871	7 April 2029
Union Cement	19 February 2021	4/2020/505431	19 February 2031
Union V Super	11 May 2018	4/2017/16641	11 May 2028
Union V Ultra	11 May 2018	4/2017/16644	11 May 2028
Union Astig	28 September 2018	4/2018/6692	28 September 2028
Sementong Astig	3 February 2019	4/2018/6691	3 February 2029

Education Group

Registered Trademark	Date of Registration	Registration No.	Date of Expiration
Araullo University	28 November 2005	4/2004/005672	28 November 2025
Araullo University Seal 	19 March 2007	4/2004/007972	19 March 2027
Cagayan de Oro College Logo  CAGAYAN DE ORO COLLEGE PHINMA EDUCATION NETWORK	15 August 2013	4/2012/00012187	15 August 2023
Cagayan de Oro College Seal	15 August 2013	4/2012/00012188	15 August 2023

Registered Trademark	Date of Registration	Registration No.	Date of Expiration
			
Cagayan de Oro College	20 June 2013	4/2012/00012185	20 June 2023
Making Lives Better Through Education	3 July 2014	4/2013/00013276	3 July 2024
"Moving Minds, Changing Lives!"	10 June 2016	4/2015/00505108	10 June 2026
Southwestern University	14 January 2016	4/2015/00011472	14 January 2026
University of Iloilo Seal 	13 January 2011 and renewed on 13 January 2021	4/2010/005386	13 January 2031
University of Iloilo	13 January 2011 and renewed on 13 January 2021	4/2010/005385	13 January 2031
University of Iloilo 	14 December 2020	4/2020/0003018	14 December 2030
UI Sun Logo (No Verbal Elements) 	7 June 2018	4/2018/0000163	7 June 2028
University of Pangasinan Seal 	21 August 2014	4/2012/00012182	21 August 2024
University of Pangasinan Flame and Book Design 	7 March 2013	4/2012/00012183	7 March 2023
University of Pangasinan Logo 	21 August 2014	4/2012/00012181	21 August 2024
University of Pangasinan	14 June 2013	4/2012/00012180	14 June 2023

MATERIAL PERMITS AND LICENSES

The Company and its subsidiaries are in possession of the material permits required for the conduct of their respective businesses. Details of these material permits are set out in the table below.

PHINMA

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Business Permit	City of Makati	Permit No. 47365	4 February 2021	31 December 2021
Certificate of Incorporation	SEC	Company Reg. No. 12397	12 March 1957	N/A
Certificate of Registration	Bureau of Internal Revenue	OCN: 8RC0000019566	01 January 1997	N/A
Certificate of Registration	Philippine Health Insurance Corporation	Employer No. 200276305938	9 June 2021	N/A
Certification (no pending case)	Department of Labor and Employment	2107-283-C	26 July 2021	N/A

UGC

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Business Permit	City of Calamba	Permit No. 2021-06127	24 February 2021	31 December 2021
Certificate of Accreditation	Laguna Lake Development Authority	PCO-COA No. 2019-00342	17 May 2019	N/A
Certificate of Accreditation	Environment Management Bureau Region IV	COA No. 2019-13147	20 May 2019	20 May 2022
Certificate of Incorporation	SEC	Company Reg. No. AS093-04916	29 June 1993	N/A
Certificate of Registration	Bureau of Customs	CCN: IM0006586139	30 June 2021	30 June 2022
Certificate of Registration	Bureau of Internal Revenue RDO 116	OCN: 8RC0001033540E	8 June 2017	N/A
Certificate of Registration	Department of Labor and Employment Region IV-A	Control No. RE-LPO-0918-537	6 September 2018	N/A
Certification (no pending case)	Department of Labor and Employment Regional Office IV-A	NPC-ROIVA-LAG-0721-459	22 June 2021	22 December 2021
Certificate of Registration	Philippine Health Insurance Corporation	Employer No. 200534300404	13 April 2018	N/A

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Certification	Philippine Health Insurance Corporation	Employer No. 200534300404	25 June 2021	N/A
Certificate of Registration	Social Security System	Employer No. 04-3500041-3-000	6 September 2018	N/A
Certificate of Treatment	Environment Management Bureau Region IV-A	COT-R3-2021-03-032351	9 March 2021	N/A
Certificate of Treatment	Environment Management Bureau Region IV-A	COT-R3-2021-03-032357	9 March 2021	N/A
Regular Contractor's License	Philippine Contractors Accreditation Board	Contractor License No. 40079	13 July 2021	30 June 2022
Discharge Permit	Laguna Lake Development Authority	DP-19a-2019-01244	22 May 2019	18 May 2022
Environmental Compliance Certificate	Environment Management Bureau Region IV-A	ECC-R4A-1608-0252	25 August 2016	N/A
Environmental Compliance Certificate	Environment Management Bureau Region XI	ECC-11-07-04-10-048-9999	13 April 2007	N/A
Hazardous Waste Generator Registration Certificate	Environment Management Bureau Region IV-A	OL-GR-R4A-34-002177	17 August 2020	N/A
Hazardous Waste Generator Registration Certificate	Environment Management Bureau Region XI	OL-GR-R11-24-008244	13 November 2020	N/A
License to Handle Controlled Precursors and Essential Chemicals	Philippine Drug Enforcement Agency	P3-024160001-R118-D	9 December 2020	20 October 2021
PCL Compliance Certificate	Environment Management Bureau	PCL-OL-2021-3745	29 April 2021	29 April 2022
Permit to Operate Air Pollution Source and Control Installations	Environment Management Bureau Region IV-A	2017-POA-0434-341	27 January 2017	29 October 2021
Permit to Operate Air Pollution Source and Control Installations	Environment Management Bureau Region XI	2020-POA-C-1124-2848	2 March 2020	9 March 2025
Clearance Certificate	Pag-IBIG Fund (Home Development Mutual Fund)	Control No. 2021-000059	26 May 2021	26 May 2022
Business Permit	Municipality of Bantay	Reference Control No. 2021-1105	19 February 2021	31 December 2021
Business Permit	Batangas City	Permit No. 2016-P0110	30 January 2021	31 December 2021
Permit to Operate	Municipality of La Trinidad	Registry No. 07229	22 March 2021	31 December 2021
Business Permit	Local Government Unit of Pili	Permit No. 1249	25 January 2021	31 December 2021

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Permit	City of Valencia	2021-C-2013	26 January 2021	31 December 2021
Mayor's/Business Permit Series 2021	City of Butuan	BC-2009-00284	11 February 2021	31 December 2021
Business Permit Certificate	City of Cagayan de Oro	Certificate No. 2021-12102	30 January 2021	31 December 2021
Business Permit Certificate	City of Cagayan de Oro	Certificate No. 2021-20986	4 March 2021	31 December 2021
Business Permit	Municipality of Cainta	Permit No. 2021 6421	4 June 2021	31 December 2021
Permit	Municipality of Calasiao	Permit No. 1216	26 January 2021	31 December 2021
Business Permit	Municipality of Consolacion	No. BP-21-1092	23 March 2021	31 December 2021
Mayor's Permit	City of Davao	Permit No. B-13189-9	22 April 2021	31 December 2021
Business Permit	General Santos City	Mayor's Permit No. 06749-0	19 January 2021	31 December 2021
Business Permit	City of Iloilo	Business Permit No. 2021-0004859	26 January 2021	31 December 2021
Business Permit	City of Santiago	Business Permit No. 00936	21 January 2021	31 December 2021
Permit to Engage in Business	City of San Fernando, La Union	Permit No. CSF-2021-2791	27 January 2021	31 December 2021
Permit and License	Municipality of Santa Rosa, Nueva Ecija	Permit No. 2021-000301	18 January 2021	31 December 2021
Mayor's Business Permit	City of Ozamiz	Permit No. SFO-1078-2021	5 February 2021	31 December 2021
Mayor's Permit	City of San Fernando, Pampanga	Permit No. 3723	15 January 2021	31 December 2021
Mayor's Permit	San Nicolas, Ilocos Norte	Mayor's Permit No. BP-2021-00561-0	18 February 2021	31 December 2021
Mayor's Business Permit	City of Tacloban	Business Permit No. 2021 03870	2 March 2021	31 December 2021
Mayor's Permit	Municipality of Villasis	Permit No. 2021-0993	26 January 2021	31 December 2021
Mayor's Permit	Zamboanga City	Permit No. 31983	4 March 2021	31 December 2021
Certificate of Registration – Bacolod City	Bureau of Internal Revenue RDO 116	OCN: 8RC0000517974	23 May 2016	N/A
Certificate of Registration – Bantay	Bureau of Internal Revenue LTS	OCN: 8RC0000080683	14 November 2019	N/A
Certificate of Registration – Batangas City	Bureau of Internal Revenue LTAD	OCN: 8RC0000046022	7 October 2013	N/A
Certificate of Registration – Baguio City, Benguet	Bureau of Internal Revenue RDO 116	OCN: 8RC0001082752E	12 July 2017	N/A
Certificate of Registration – Pili	Bureau of Internal Revenue LTD	OCN: 8RC0000025229	25 August 2011	N/A
Certificate of Registration – Valencia City	Bureau of Internal Revenue LTS	OCN: 8RC0000040579	25 January 2013	N/A

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Certificate of Registration – Butuan City	Bureau of Internal Revenue RDO 103	OCN: 2RC0000209142	8 August 2018	N/A
Certificate of Registration – Cagayan de Oro City	Bureau of Internal Revenue LTD	OCN: 8RC0000023688	11 July 2011	N/A
Certificate of Registration – Cainta	Bureau of Internal Revenue LTD	OCN: 8RC0000022073	17 June 2011	N/A
Certificate of Registration – Calasiao	Bureau of Internal Revenue LTD	OCN: 8RC0000022079	17 June 2011	N/A
Certificate of Registration – Consolacion	Bureau of Internal Revenue LTAD	OCN: 8RC0000045154	4 September 2013	N/A
Certificate of Registration – Davao City	Bureau of Internal Revenue LTD	OCN: 8RC0000023690	11 July 2011	N/A
Certificate of Registration – General Santos City	Bureau of Internal Revenue LTD	OCN: 8RC0000023030	4 July 2011	N/A
Certificate of Registration – Iloilo City	Bureau of Internal Revenue RDO 116	OCN: 8RC0001338264E	18 January 2018	N/A
Certificate of Registration – Santiago City	Bureau of Internal Revenue LTD	OCN: 8RC0000023689	11 July 2011	N/A
Certificate of Registration – San Fernando City, La Union	Bureau of Internal Revenue LTD	OCN: 8RC0000023028	4 July 2011	N/A
Certificate of Registration – Santa Rosa, Nueva Ecija	Bureau of Internal Revenue RDO 23B	OCN: 4RC0000971320	15 July 2003	N/A
Certificate of Registration – Ozamiz City	Bureau of Internal Revenue LTAD	OCN: 8RC0000048263	24 February 2014	N/A
Certificate of Registration – San Fernando City, Pampanga	Bureau of Internal Revenue RDO 116	OCN: 8RC0000590418	14 July 2016	N/A
Certificate of Registration – Lucena City	Bureau of Internal Revenue RDO 060	OCN: 1RC0000379367	9 September 2009	N/A
Certificate of Registration – San Nicolas, Ilocos Norte	Bureau of Internal Revenue RDO 116	OCN: 8RC0000066119	2 October 2018	N/A
Certificate of Registration – Tacloban City	Bureau of Internal Revenue RDO 116	OCN: 8RC0000052536	2 September 2014	N/A
Certificate of Registration – Villasis	Bureau of Internal Revenue LTS	OCN: 8RC0000080308	31 October 2019	N/A
Certificate of Registration – Zamboanga City	Bureau of Internal Revenue LTD	OCN: 8RC0000022077	17 June 2011	N/A

Philcement

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Business Permit	City of Iloilo	Business Permit No. 2021-0002580	18 January 2021	31 December 2021
Business Permit Certificate	City of Cagayan de Oro	Certificate No. 2021-12104	30 January 2021	31 December 2021
Business Permit	City of Davao	Permit No. B-159693-3	16 April 2021	31 December 2021

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Business Permit	Municipality of Dinalupihan	Permit No. 2021-0000001191	15 January 2021	31 December 2021
Certificate of Good Payment Standing	Philippine Health Insurance Corporation	Control No. LHIO Bataan Cert. 2021-0068	25 June 2021	N/A
Certificate of Incorporation	SEC	Company Reg. No. CS201732074	22 September 2017	N/A
Certificate of Registration	Authority of the Freeport Area of Bataan	No. 2021-069	22 December 2020	31 December 2021
Certificate of Registration	Bureau of Customs	CCN IM0007919093	21 May 2021	21 May 2022
Certificate of Registration – Mariveles	Bureau of Internal Revenue RDO 020	OCN: 4RC0001318643	15 April 2019	N/A
Certificate of Registration – Dinalupihan	Bureau of Internal Revenue RDO 020	OCN: 4RC0001385406	19 November 2019	N/A
Certificate of Registration – Currimao	Bureau of Internal Revenue RDO 001	OCN: 4RC0001416324	21 February 2020	N/A
Certificate of Registration – Davao City	Bureau of Internal Revenue RDO 132	OCN: 2RC0001692365	24 September 2019	N/A
Certificate of Registration – Iloilo City	Bureau of Internal Revenue RDO 074	OCN: 2RC0001676175	24 September 2019	N/A
Certificate of Registration – Tagoloan	Bureau of Internal Revenue RDO 098	OCN: 2RC0001670489	19 December 2019	N/A
Certificate of Registration	Department of Labor and Employment	RO302-1903-RE-III-29	14 March 2019	N/A
Certificate of Registration	Philippine Health Insurance Corporation	Employer No. 008030009963	10 August 2018	N/A
Certificate of Registration	Social Security System	Employer No. 02-1011269-4-000	11 March 2019	N/A
Certificate of Tax Incentives	Authority of the Freeport Area of Bataan	OR No. 0494367	28 December 2020	31 December 2021
Certification	Pag-IBIG Fund (Home Development Mutual Fund)	Employer ID No. 207802040007	28 June 2021	28 June 2022
Environmental Compliance Certificate	Environment Management Bureau Region III	R03-09012018-4591	17 July 2019	N/A
Hazardous Waste Generator Registration Certificate	Environment Management Bureau Region III	OL-GR-R3-08-003281	20 October 2020	N/A

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Mayor's Permit	Municipality of Currimao	R2021-107	N/A	31 December 2021
Mayor's Permit	Municipality of Tagoloan	2021-0734	20 January 2021	31 December 2021
Permit to Operate Air Pollution Source and Control Installations	Environment Management Bureau Region III	PTO-OL-R03-2020-00816	11 Sep 2020	11 Jul 2025
Philippine Standard Quality Certification Mark – Portland Cement	Bureau of Philippine Standards	License No. Q-2433	29 December 2020	10 January 2024
Philippine Standard Quality Certification Mark – Blended Hydraulic Cement	Bureau of Philippine Standards	License No. Q-2434	29 December 2020	10 January 2024
Philippine Standard Quality Certification Mark – Portland Cement	Bureau of Philippine Standards	License No. Q-2595	18 November 2020	13 August 2021
Philippine Standard Quality Certification Mark – Portland Cement	Bureau of Philippine Standards	License No. Q-3338	30 January 2021	8 January 2023
Philippine Standard Quality Certification Mark – Blended Hydraulic Cement	Bureau of Philippine Standards	License No. Q-3339	30 January 2021	8 January 2023
Unified Registration Record	Pag-IBIG Fund (Home Development Mutual Fund)	Employer No. 207802040007	25 September 2017	N/A
Registry Certificate for the Importation of Recyclable Materials Containing Hazardous Substances	Environment Management Bureau	Registry Reference No. OL-RC-21-CEN-0004	7 April 2021	N/A
Start of Commercial Operations (SCO) Certification	Authority of the Freeport Area of Bataan	SCN-20-001	29 April 2020	N/A

PHINMA Solar

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Business Permit	City of Makati	Permit No. 41116	31 January 2021	31 December 2021
Certificate of Incorporation	SEC	Company Reg. No. CS201313714	26 July 2013	N/A
Certificate of Registration	Bureau of Internal Revenue RDO 049	OCN: 9RC0001549705E	19 April 2018	N/A

Certificate of Registration	Philippine Health Insurance Corporation	Employer No. 001030005765	18 May 2021	N/A
Certification	Philippine Health Insurance Corporation	Employer No. 001030005765	25 June 2021	N/A
Clearance Certificate	Pag-IBIG Fund (Home Development Mutual Fund)	Employer No. 207380620009	29 July 2021	29 July 2022

API

Name of License/Permit	Issuing Regulatory Body	License/Permit No.	Issue Date	Expiry Date
Business Permit	City of Makati	Permit No. 47364	4 February 2021	31 December 2021
Certificate of Incorporation	SEC	Company Reg. No. CS200500993	26 January 2005	N/A
Certificate of Registration	Bureau of Internal Revenue RDO 049	OCN: 9RC0000160448	17 February 2005	N/A

PSHC

Name of License/Permit	Issuing Regulatory Body	License/Permit No.	Issue Date	Expiry Date
Business Permit	City of Taguig	LCN No. 20-010968	18 January 2021	31 December 2021
Certificate of Incorporation	SEC	Company Reg. No. A1998-13883	11 September 1998	N/A
Certificate of Registration	Bureau of Internal Revenue RDO 044	OCN: 9RC0000394070	27 February 2014	N/A
Mayor's Permit	Municipality of Calumpit	Permit No. 0461-2021	15 January 2021	31 December 2021

PHINMA Education

Name of License/Permit	Issuing Regulatory Body	License/Permit No.	Issue Date	Expiry Date
Business Permit	City of Makati	Permit No. 27343	2 March 2021	31 December 2021
Certificate of Incorporation	SEC	Company Reg. No. CS201517311	28 August 2015	N/A
Certificate of Registration	Bureau of Internal Revenue RDO 049	OCN: 9RC0000217969	29 September 2015	N/A
Certificate of Registration	Social Security System	Employer No. 03-9502786-6-000	12 April 2016	N/A

AU

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Authority to Accept Foreign Students	Bureau of Immigration	Order No. ADD-2001-049	25 January 2012	N/A
Business Permit – Main	City of Cabanatuan	Permit No. 21-01045	2 February 2021	31 December 2021
Business Permit – South	City of Cabanatuan	Permit No. 21-01047	2 February 2021	31 December 2021
Certificate of Employer’s Registration	Pag-IBIG Fund (Home Development Mutual Fund)	Employer No. 201901790002	30 April 2021	N/A
Certificate of Incorporation	SEC	Company Reg. No. 5000	20 March 1950	N/A
Certificate of Registration	Bureau of Internal Revenue RDO 23B	OCN: 4RC0001284337	7 February 2019	N/A
Certificate of Registration	Department of Labor and Employment	RO305-N.E.-1403-RE-III-007	12 March 2014	N/A
Certificate of Registration	Philippine Health Insurance Corporation	Employer No. 007040000139	9 January 2007	N/A
Certificate of Registration	Social Security System	Employer No. 02-0012900-8-000	23 April 2021	N/A
Clearance Certificate	Pag-IBIG Fund (Home Development Mutual Fund)	Control No. 1307-001512-P	27 April 2021	27 April 2022
Environmental Compliance Certificate	Environment Management Bureau Region III	03NE-2009-130037-120A	17 January 2019	N/A
Water Permit	National Water Resources Board	No. 020990	20 September 2006	N/A
Water Permit	National Water Resources Board	No. 020991	20 September 2006	N/A

AU Main - CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. AB Political Science	Government Recognition	A.Y. 2008-2009	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
2. BS in Hotel and Restaurant Management	Government Recognition	A.Y. 2010-2011	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and

Program	Status	Validity	
		Commencement	Expiration
			regulations for organization, administration and supervision of private HEIs in the Philippines
3. BS in Hotel and Restaurant Management (Third Year Level)	Government Permit	A.Y. 2009-2010	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
4. BS in Tourism Management	Government Recognition	A.Y. 2013-2014	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
5. BS in Tourism Management (First and Second Year Levels)	Government Permit	A.Y. 2010-2011 and A.Y. 2011-2012	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
6. BS in Tourism Management (First to Third Levels)	Government Permit	A.Y. 2012-2013	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
7. BS in Accounting Technology	Government Recognition	A.Y. 2009-2010	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
8. BS in Entrepreneurship (First and Second Levels)	Government Permit	A.Y. 2018-2019	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
9. BS in Pharmacy	Government Recognition	A.Y. 2017-2018	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
10. BS in Pharmacy (First Level)	Government Permit	A.Y. 2014-2015	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
11. BS in Pharmacy (First and Second Levels)	Government Permit	A.Y. 2015-2016	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction

Program	Status	Validity	
		Commencement	Expiration
			and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
12. BS in Pharmacy (First to Third Levels)	Government Permit	A.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
13. BS in Information Technology	Government Recognition	A.Y. 2011-2012	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
14. BS in Information Technology (Third Year Level)	Government Permit	A.Y. 2010-2011	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
15. BS in Civil Engineering	Government Recognition	A.Y. 2014-2015	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
16. BS in Civil Engineering (First and Second Year Levels)	Government Permit	A.Y. 2010-2011 and A.Y. 2011-2012	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
17. BS in Civil Engineering (First to Fourth Year Levels)	Government Permit	A.Y. 2013-2014	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
18. BS in Computer Science	Government Recognition	A.Y. 2009-2010	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
19. Midwifery	Government Recognition	A.Y. 2011-2012	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
20. BS in Commerce	Government Recognition	June 1, 1955	In case of failure on the part of the school to observe and maintain any of the required

Program	Status	Validity	
		Commencement	Expiration
			standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
21. First Level of Bachelor of Science in Medical Technology / Bachelor in Medical Laboratory Science Program	Government Permit	A.Y. 2014-2015	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
22. Bachelor of Arts in English Language	Government Recognition	A.Y. 2011-2012	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
23. Four-Year Bachelor of Science in Accountancy	Government Recognition	S.Y. 1993-1994	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
24. First and Second Levels of the Bachelor of Science in Entrepreneurship Program	Government Permit	A.Y. 2018-2019	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
25. Bachelor of Science in Computer Science	Government Recognition	A.Y. 2009-2010	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
26. Bachelor of Science in Nursing	Government Recognition	November 3, 2014	
27. Four-Year Course in Bachelor of Science Major in Chemistry	Government Recognition	June 14, 1982	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.

Program	Status	Validity	
		Commencement	Expiration
28. Third and Fourth Years of the Liberal Arts Course	Government Recognition	June 13, 1960	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
29. First and Second Levels of the Bachelor of Science in Management Accounting Program	Government Recognition	A.Y. 2018-2019	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines

AU Main - DepEd Permits

Program	Status	Validity	
		Commencement	Expiration
1. Pre-elementary Course	Government Permit	S.Y. 2011-2012	Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of authorized private school courses.
2. Elementary Course (Grade I to VI)	Government Recognition	S.Y. 2008-2009	In case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
3. Complete Secondary Course (First to Fourth Year High School)	Government Recognition	S.Y. 2006-2007	In case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.

<p>4. Senior High School Program</p> <p>Academic: General Academics (“GAs”), Science, Technology, Engineering and Mathematics (“STEM”), Accounting, Business and Management (“ABM”), and Humanities and Social Sciences (“HUMSS”)</p> <p>Tech-Voc: Information and Communications Technology (Computer Programming)</p> <p>Tech-Voc: Home Economics (Bread and Pastry Production, Housekeeping, Food and Beverage Services, Tour Guiding Services, Tourism Promotion Services, Attraction and Theme Parks)</p>	<p>Provisional Permit</p>	<p>S.Y. 2016-2017</p>	<p>Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program.</p> <p>This permit shall remain valid until formally revoked by the DepEd.</p>
<p>5. Senior High School Program</p> <p>Academic: GAs, ABM, HUMSS, STEM</p>	<p>Provisional Permit</p>	<p>S.Y. 2015-2016</p>	<p>Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program.</p> <p>This permit shall remain valid until formally revoked by the DepEd.</p>

<p>6. Senior High School Program</p> <p>Academic: GAs, STEM, ABM, and HUMSS</p> <p>Tech-Voc: Information and Communications Technology (Computer Programming)</p> <p>Tech-Voc: Home Economics (Bread and Pastry Production, Housekeeping, Food and Beverage Services, Tour Guiding Services, Tourism Promotion Services, Attraction and Theme Parks)</p>	<p>Provisional Permit</p>	<p>S.Y. 2016-2017</p>	<p>Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program.</p> <p>This permit shall remain valid until formally revoked by the DepEd.</p>
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AU Main - Technical Education and Skills Development Authority (“TESDA”) Permits

Program	Status	Validity	
		Commencement	Expiration
<p>1. Food and Beverage Services NC III (124 hours)</p>	<p>Certificate of TVET Program Registration</p>	<p>31 May 2013</p>	<p>Valid subject to revocation should institution fail to comply with the rules and regulations governing the offering of prescribed TVET programs</p>
<p>2. Microfinance Technology NC II (403 hours)</p>	<p>Certificate of TVET Program Registration</p>	<p>31 May 2017</p>	<p>Valid subject to revocation should institution fail to comply with the rules and regulations governing the offering of prescribed TVET programs</p>
<p>3. Bartending NC II (286 hours)</p>	<p>Certificate of TVET Program Registration</p>	<p>11 September 2014</p>	<p>Valid subject to revocation should institution fail to comply with the rules and regulations governing the offering of prescribed TVET programs</p>
<p>4. Contact Center Services NC II (144 hours)</p>	<p>Certificate of TVET Program Registration</p>	<p>28 November 2017</p>	<p>Valid subject to revocation should institution fail to comply with the rules and regulations governing the offering of prescribed TVET programs</p>
<p>5. Computer Hardware Servicing NC II (392 hours)</p>	<p>Certificate of TVET Program Registration</p>	<p>18 August 2014</p>	<p>Valid subject to revocation should institution fail to comply with the rules and regulations governing the offering of prescribed TVET programs</p>
<p>6. Housekeeping NC II (436 hours)</p>	<p>Certificate of TVET Program Registration</p>	<p>31 May 2013</p>	<p>Valid subject to revocation should institution fail to comply with the rules and regulations</p>

Program	Status	Validity	
		Commencement	Expiration
			governing the offering of prescribed TVET programs

AU South – CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. First and Second Levels of the Bachelor of Technical Vocational Teacher Education (Majors in Computer Programming, Animation and Food and Service Management) Program	Government Permit	AY 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to comply with the rules and regulations of CHED for organization, administration and supervision of private HEIs in the Philippines
2. First and Second Levels of the Bachelor of Science in Tourism Management Program	Government Permit	AY 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to comply with the rules and regulations of CHED for organization, administration and supervision of private HEIs in the Philippines
3. First and Second Levels of the Bachelor of Science in Accountancy Program	Government Permit	AY 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to comply with the rules and regulations of CHED for organization, administration and supervision of private HEIs in the Philippines
4. First and Second Levels of the Bachelor of Science in Criminology Program	Government Permit	AY 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to comply with the rules and regulations of CHED for organization, administration and supervision of private HEIs in the Philippines
5. First and Second Levels of the Bachelor of Science in Management	Government Permit	AY 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to comply with the rules and regulations of CHED for organization, administration and

Program	Status	Validity	
		Commencement	Expiration
Accounting Program			supervision of private HEIs in the Philippines
6. First and Second Levels of the Bachelor of Science in Accounting Information System Program	Government Permit	AY 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to comply with the rules and regulations of CHED for organization, administration and supervision of private HEIs in the Philippines
7. First and Second Levels of the Bachelor of Special Need Education Program	Government Permit	AY 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to comply with the rules and regulations of CHED for organization, administration and supervision of private HEIs in the Philippines
8. First and Second Levels of the Bachelor of Science in Business Administration (Majors in Marketing Management, Banking and Microfinance, Human Resource Management) Program	Government Permit	AY 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to comply with the rules and regulations of CHED for organization, administration and supervision of private HEIs in the Philippines
9. First and Second Levels of the Bachelor of Early Childhood Education Program	Government Permit	AY 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to comply with the rules and regulations of CHED for organization, administration and supervision of private HEIs in the Philippines

AU South - DepEd Permit

Program	Status	Validity	
		Commencement	Expiration
<p>1. Senior High School Program</p> <p>Academic: GAs, STEM, ABM, HUMSS</p> <p>Tech-Voc: Information and Communications Technology (Computer Programming)</p> <p>Tech-Voc: Home Economics (Bread and Pastry Production, Housekeeping, Food and Beverage Services, Tour Guiding Services, Tourism Promotion Services, Attraction and Theme Parks)</p>	Provisional Permit	S.Y. 2016-2017	<p>Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program.</p> <p>This permit shall remain valid until formally revoked by the DepEd.</p>

COC

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Authority to Accept Foreign Students	Bureau of Immigration	AAFS No. ADD03-036	23 April 2003	N/A
Business Permit – Main	City of Cagayan de Oro	Certificate No. 2021-03692	13 January 2021	30 September 2021
Business Permit – Puerto	City of Cagayan de Oro	Certificate No. 2021-22819	15 March 2021	30 September 2021
Certificate of Incorporation	SEC	Company Reg. No. 3697	11 June 1948	N/A
Certificate of Membership	Social Security System	Employer No. 08-0031600-4	4 February 1992	N/A
Certificate of Registration	Bureau of Internal Revenue RDO 098	OCN: 2RC0001615859	1 January 1997	N/A
Certificate of Registration	Philippine Health Insurance Corporation	Employer No. 200543300633	18 May 2021	N/A
Certificate of Premium Payment	Philippine Health Insurance Corporation	Control No. PRO10-CS-051121-001	11 May 2021	N/A
Certificate of Registration – Main	Department of Labor and Employment Region X	EIN No. 002631	4 May 2021	N/A
Certificate of Registration – Puerto	Department of Labor and	EIN No. 002630	4 May 2021	N/A

	Employment Region X			
Certification (No Pending Cases)	Department of Labor and Employment Region X	N/A	22 June 2021	N/A

COC Main - CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. Graduate Course in Education leading to the degree Master of Arts in Education, major in Elementary Education	Government Recognition	AY 1992-1993	In case of failure on the part of the school to observe and maintain any of the required standards of the DECS affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
2. Bachelor of Elementary Education with Early Childhood Education as additional major	Government Recognition	AY 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
3. Graduate Course in Education leading to the degree Master of Arts in Education, major in Secondary Education	Government Recognition	AY 1992-1993	In case of failure on the part of the school to observe and maintain any of the required standards of the DECS affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
4. Third and Fourth Year of the Education Course leading to the degree of Bachelor of Science in Education (B.S.E.)	Government Recognition	July 3, 1972	In case of failure on the part of the school to observe and maintain any of the required standards of the Min DECS affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
5. Bachelor of Science in Tourism Management	Government Recognition	AY 2014-2015	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
6. Bachelor of Science in Electrical Technology and Management	Government Recognition	SY 2012-2013	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines

Program	Status	Validity	
		Commencement	Expiration
7. Bachelor of Science in Electronics and Communications Technology and Management	Government Recognition	SY 2012-2013	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
8. Bachelor of Science in Accounting Technology	Government Recognition	SY 2011-2012	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
9. Bachelor of Science in Hotel and Restaurant Management	Government Recognition	CY 2007-2008	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
10. Associate in Hotel and Restaurant Management	Government Recognition	SY 2010-2011	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
11. Bachelor of Science in Business Administration	Government Recognition	SY 2010-2011	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
12. Bachelor of Science in Information Technology	Government Recognition	CY 2007-2008	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
13. Bachelor of Science in Nursing	Government Recognition	CY 2006-2007	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
14. AB in Mass Communication	Government Recognition	CY 2003-2004	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
15. Bachelor of Science in Computer Engineering	Government Recognition	CY 1996-1997	In case of failure on the part of the school to observe and maintain any of the required standards of the CHED affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school

Program	Status	Validity	
		Commencement	Expiration
			shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
16. Bachelor of Science in Accountancy	Government Recognition	CY 1993-1994	In case of failure on the part of the school to observe and maintain any of the required standards of the DECS affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
17. Graduate Course in Teaching Social Studies leading to the degree of Master of Arts in Teaching	Government Recognition	June 18, 1984	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
18. Fifth year of the Architecture Course leading to the degree of Bachelor of Science in Architecture (B.S. Arch.)	Government Recognition	June 13, 1978	In case of failure on the part of the school to observe and maintain any of the required standards of the DECS affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
19. Third to Fifth Year of the Electrical Engineering Course leading to the degree of Bachelor of Science in Electrical Engineering (B.S. E.E.)	Government Recognition	June 17, 1985	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
20. Fourth and Fifth Years of the Mechanical Engineering Course leading to the degree of Bachelor of Science in Mechanical Engineering (B.S. M.E.)	Government Recognition	June 13, 1979	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
21. Third to Fifth Year of the Civil Engineering Course leading to the degree of Bachelor of Science in Civil	Government Recognition	June 7, 1976	In case of failure on the part of the school to observe and maintain any of the required standards of the DECS affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in

Program	Status	Validity	
		Commencement	Expiration
Engineering (B.S.C.E)			accordance with the provisions of Section 8 of Act 2706.
22. Four-year Criminology Course leading to the degree of Bachelor of Science in Criminology (B.S. Cr.)	Government Recognition	June 7, 1976	In case of failure on the part of the school to observe and maintain any of the required standards of the DECS affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
23. Master of Science in Criminology	Government Recognition	CY 2000-2001	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
24. Graduate Course in Educational Administration leading to the degree Master of Arts in Educational Administration	Government Recognition	AY 1992-1993	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
25. Doctor of Philosophy in Educational Administration and Supervision	Government Recognition	CY 2000-2001	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
26. Master in Government Management	Government Recognition	CY 2000-2001	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
27. Third Year Level of the Bachelor of Science in Management Accounting Program to include First and Second Year Levels	Government Permit	AY 2020-2021	Subject to revocation if the institution fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs.
28. Doctor of Philosophy in Criminal Justice Education with specialization in Criminology	Government Recognition	AY 2020-2021	Subject to revocation if the institution fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs in the Philippines.
29. First and Second Year Levels of the Bachelor of Science	Government Permit	AY 2020-2021	Subject to revocation if the institution fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to

Program	Status	Validity	
		Commencement	Expiration
in Medical Technology			comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs.
30. First and Second Year Levels of the Bachelor of Science in Pharmacy Program	Government Permit	AY 2020-2021	Subject to revocation if the institution fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs.
31. First Year Level of the Bachelor of Science in Industrial Security Management Program	Government Permit	AY 2019-2020	Subject to revocation if the institution fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs.

COC Main - DepEd Permits

Program	Status	Validity	
		Commencement	Expiration
1. Preschool Course (Nursery / Kindergarten I & II)	Government Recognition	August 14, 2002	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education, Culture, and Sports ("DECS") affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
2. <i>Una hanggang Ikaanim na Baitang (Pang-araw) ng Elementarya</i>	<i>Pagkilala ng Pamahalaan (Government Recognition)</i>	<i>Disyembre 8, 1980</i>	<i>Kung sakaling ang nabanggit na paaralan ay hindi makasunod o makapagpanatili sa mga pamantayang itinakda ng Ministri ng Edukasyon at Kultura kaugnay ng kursong pinagtibay dito, ang kapangyarihang ipinagkaloob sa pamamagitan nito ay maaaring bawiin at pawalang-bisa.</i>
3. Complete Academic Secondary Course with Vocational Subjects (Day)	Government Recognition	June 25, 1953	Subject to revocation anytime the school fails to observe and maintain any of the required standards of the DepEd affecting the course approved. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
4. Senior High School Program (CARMEN) Academic Track: Accountancy Business Management (ABM), Humanities Social and Sciences	Provisional Permit	SY 2016-2017	Subject to revocation anytime the school fails to maintain the standards required for the program/s and to faithfully follow all the laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adopting of the Senior High School Program under the Enhanced Basic Education Program.

Program	Status	Validity	
		Commencement	Expiration
(HUMSS), Science Technology, Engineering and Mathematics (STEM), General Academic Strand (Gas), Hospitality and Tourism Management, Education, Information Technology, Criminology, Health Sciences Tech-Voc Track: Information and Communications Technology (ICT): Computer Programming, Industrial Arts (IA): Electrical Installation and Maintenance, Electronic Products Assembly and Servicing, Shielded Metal Arc Welding, Machining, Bookkeeping, Home Economics (HE): Tourism Management, Hospitality Management, Caregiving			This permit shall remain valid until formally revoked by the DepEd.
5. Junior High School Course (Grades 7 to 10)	Government Recognition	SY 2018-2019	In case failure of the above-named school to observe and maintain any of the required standards of the DepEd affecting the delivery of quality of instructions and the course herein approved, the authority granted may be revoked and cancelled and the records of the students may be taken over and shall be kept in the files of DepEd, and the bond submitted by the school may be declared forfeited in accordance with the provisions of Section 8 of Republic Act 2706.

COC Main - TESDA Permits

Program	Status	Validity	
		Commencement	Expiration
1. Electrical Installation and Maintenance NC II (402 hours)	Certificate of TVET Program Registration	May 18, 2018	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
2. Computer Systems Servicing NC II (280 hours)	Certificate of TVET Program Registration	May 09, 2017	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
3. Carpentry NC II (162 hours)	Certificate of TVET Program Registration	November 22, 2017	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
4. Masonry NC II (258 hours)	Certificate of TVET Program Registration	November 22, 2017	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
5. Plumbing NC I (168 hours)	Certificate of TVET Program Registration	August 7, 2017	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
6. Plumbing NC II (202 hours)	Certificate of TVET Program Registration	August 7, 2017	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
7. Carpentry NC II (162 hours)	Certificate of TVET Program Registration	August 7, 2017	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
8. Cookery NC II (316 hours)	Certificate of TVET Program Registration	-	-
9. Health Care Services NC II (996 hours)	Certificate of TVET Program Registration	-	-
10. Housekeeping NC II (436 hours)	Certificate of TVET Program Registration	-	-
11. Electronic Products Assembly and Servicing NC II (260 hours)	Certificate of TVET Program Registration	December 22, 2016	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
12. Electrical Installation and Maintenance NC II (402 hours)	Certificate of TVET Program Registration	December 22, 2016	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
13. Shielded Metal Arc Welding (SMAW) NC I (360 hours)	Certificate of TVET Program Registration	December 3, 2008	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.

Program	Status	Validity	
		Commencement	Expiration
14. Shielded Metal Arc Welding (SMAW) NC II (260 hours)	Certificate of TVET Program Registration	December 3, 2008	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
15. Shielded Metal Arc Welding (SMAW) NC III (180 hours)	Certificate of TVET Program Registration	December 3, 2008	Subject to revocation should the institution fail to faithfully comply with the rules and regulations governing the offering of TVET programs prescribed by the Authority.
16. Building Wiring Installation NC Level II (620 hours)	Certificate of TVET Program Registration	June 26, 2007	Subject to revocation should the institution fail to faithfully follow the rules and regulations governing the offering of TVET programs prescribed by the Authority.
17. Machining NC Level 1 (648 hours)	Certificate of TVET Program Registration	June 26, 2007	Subject to revocation should the institution fail to faithfully follow the rules and regulations governing the offering of TVET programs prescribed by the Authority.
18. Machining NC Level II (647 hours)	Certificate of TVET Program Registration	June 26, 2007	Subject to revocation should the institution fail to faithfully follow the rules and regulations governing the offering of TVET programs prescribed by the Authority.
19. Machining NC Level III (451 hours)	Certificate of TVET Program Registration	June 26, 2007	Subject to revocation should the institution fail to faithfully follow the rules and regulations governing the offering of TVET programs prescribed by the Authority.
20. Consumer Electronics Servicing NC Level II (550 hours)	Certificate of TVET Program Registration	July 17, 2007	Subject to revocation should the institution fail to faithfully follow the rules and regulations governing the offering of TVET programs prescribed by the Authority.
21. Food and Beverage Services NC Level II (440 hours)	Certificate of TVET Program Registration	October 22, 2007	Subject to revocation should the institution fail to faithfully follow the rules and regulations governing the offering of TVET programs prescribed by the Authority.
22. Caregiver Program NC Level II (1030 Hours)	Certificate of TVET Program Registration	September 27, 2004	Subject to revocation should the institution fail to faithfully follow the rules and regulations governing the offering of TVET programs prescribed by the Authority.
23. Two-year Mechanical Technology 24. Two-year Electrical Technology 25. Two-year Electronics Technology	Government Recognition	March 1991	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education, Culture and Sports affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.

COC Puerto - DepEd Permits

Program	Status	Validity	
		Commencement	Expiration
<p>1. Senior High School Program (PUERTO)</p> <p>Academic Track: Accountancy Business Management (ABM), Humanities Social and Sciences (HUMSS), Science Technology, Engineering and Mathematics (STEM), General Academic Strand (Gas), Hospitality and Tourism Management, Education, Information Technology, Criminology, Health Sciences</p> <p>Tech-Voc Track: Information and Communications Technology (ICT): Computer Programming, Industrial Arts (IA): Electrical Installation and Maintenance, Electronic Products Assembly and Servicing, Shielded Metal Arc Welding, Machining, Bookkeeping, Home Economics (HE): Tourism Management, Hospitality Management, Caregiving</p>	Provisional Permit	SY 2016-2017	<p>Subject to revocation anytime the school fails to maintain the standards required for the program/s and to faithfully follow all the laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adopting of the Senior High School Program under the Enhanced Basic Education Program.</p> <p>This permit shall remain valid until formally revoked by the DepEd.</p>

UI

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Business Permit	City of Iloilo	Permit No. 2021-0003641	21 January 2021	31 December 2021
Certificate of Employer's Registration	Pag-IBIG Fund (Home Development Mutual Fund)	Employer No. 202247740002	21 April 2021	N/A
Certificate of Incorporation	Securities and Exchange Commission	Company Reg. No. 2922	22 October 1947	N/A
Certificate of Registration	Bureau of Internal Revenue RDO 123	OCN: 8RC0001105331E	27 July 2017	N/A
Certificate of Registration	Department of Labor and Employment Region VI	Control No. R6-I-2021-00042	21 May 2021	N/A
Certificate of Registration	Philippine Health Insurance Corporation	Employer No. 202230301192	22 April 2021	N/A
Clearance Certificate	Pag-IBIG Fund (Home Development Mutual Fund)	Control No. 1517-000553-P	21 April 2021	21 April 2022
Certificate of Registration	Social Security System	Employer No. 07-0002900-6-000	21 April 2021	N/A
Permit to Operate Air Pollution Source and Control Installations	Environment Management Bureau Region VI	17-POA-A-0630-1703	23 November 2017	30 January 2023

UI - CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. Four Year Bachelor of Science in Tourism Management	Government Recognition	AY 2015-2016	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions ("HEIs") in the Philippines
2. Four Year Bachelor of Science in Accounting Technology	Government Recognition	AY 2014-2015	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions ("HEIs") in the Philippines

Program	Status	Validity	
		Commencement	Expiration
3. Four Year Bachelor of Science in Hotel and Restaurant Management	Government Recognition	CY 2010-2011	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions ("HEIs") in the Philippines
4. Bachelor of Science in Marine Engineering	Government Recognition	SY 2005-2006	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions ("HEIs") in the Philippines
5. Bachelor of Science in Marine Engineering	Government Permit	SY 2019-2020	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions ("HEIs") in the Philippines
6. Bachelor of Science in Information Technology	Government Recognition	CY 2003-2004	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions ("HEIs") in the Philippines
7. BS in Accountancy	Government Recognition	SY 1992-1993	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education, Culture and Sports affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
8. Four Year Course in Nursing leading to the degree of Bachelor of Science in Nursing	Government Recognition	June 07, 1982	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
9. Four Year Course in Criminology leading to the degree of Bachelor	Government Recognition	July 03, 1972	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course, the authority

Program	Status	Validity	
		Commencement	Expiration
of Science in Criminology			granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
10. Four Year Collegiate Normal Course leading to the degree of Bachelor of Science in Elementary Education	Government Recognition	July 19, 1965	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
11. Four Year Law Course leading to the degree of Bachelor of Laws	Government Recognition	June 13, 1960	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
12. Four Year Collegiate Commercial Course leading to the degree of Bachelor of Science in Commerce	Government Recognition	May 8, 1953	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
13. Four Year Course in Civil Engineering leading to the degree of Bachelor of Science in Civil Engineering	Government Recognition	December 6, 1952	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
14. Four Year Course in Education leading to the degree of Bachelor of Science in Education	Government Recognition	July 1951	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
15. Graduate Course in Education leading to the degree of Master of Arts in Education	Government Recognition	July 1, 1968	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.

Program	Status	Validity	
		Commencement	Expiration
16. Master in Public Administration	Government Recognition	SY 1998-1999	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions (“HEIs”) in the Philippines
17. Master in Business Administration and Master of Arts in Teaching Elementary Agriculture	Government Recognition	March 01, 1985	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
18. Doctor of Philosophy of Education	Government Recognition	March 01, 1985	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
19. Bachelor of Science in Medical Technology / Bachelor of Medical Laboratory Science (First Curriculum Level)	Temporary Permit	AY 2018-2019	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs” in the Philippines
20. Bachelor of Science in Pharmacy (First Curriculum Level)	Temporary Permit	AY 2018-2019	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions (“HEIs”) in the Philippines
21. Bachelor of Science in Pharmacy	Government Recognition	AY 2021-2022	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions (“HEIs”) in the Philippines
22. Liberal Arts course leading to the degree of Bachelor of Arts (AB), Third and Fourth Year Level	Government Recognition	June 12, 1961	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared

Program	Status	Validity	
		Commencement	Expiration
			forfeited in accordance with the provisions of Section 8 of Act 2706.
23. First and Second Curriculum Levels of AB Psychology	Government Permit	AY 2021-2022	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions ("HEIs") in the Philippines
24. Bachelor of Science in Computer Science	Government Recognition	CY 2006-2007	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions ("HEIs") in the Philippines

UI - DepEd Permits

Program	Status	Validity	
		Commencement	Expiration
1. Pre-Elementary Education (Nursery, Kinder I and Kinder II)	Government Recognition	S.Y. 2015-2016	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
2. Complete Academic Secondary Course with Vocational Subjects (Day)	Government Recognition	July 1951	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
3. Senior High School Program Academic Track a. Accountancy	Provisional Permit	SY 2016-2017	Subject to revocation anytime the school fails to maintain the standards required for the program

Program	Status	Validity	
		Commencement	Expiration
b. Business and Management (ABM) c. Humanities and Social Sciences (HUMSS) d. Science, Technology, Engineering and Mathematics (STEM) e. General Academic (GAs) Tech-voc Track f. Home Economics (Commercial Cooking, Bread and Pastry Production, Food and Beverage Servicing, Housekeeping, Caregiving, Wellness Massage, Tour Guiding Services, Tourism Promotion Services, Attractions and Theme Parks)			and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program. This permit shall remain valid until formally revoked by the DepEd.
4. Senior High School Tech-voc Track a. TVL Maritime Specialization	Provisional Permit	SY 2018-2019	Subject to revocation anytime the school fails to maintain the standards required for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program. This permit shall remain valid until formally revoked by the DepEd.
5. <i>Program name illegible</i>	Government Recognition	July 1951	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.

Program	Status	Validity	
		Commencement	Expiration
1. Food and Beverage Services NC II (356 hours)	Certificate of TVET Program Registration	June 8, 2017	Subject to revocation should the institution fail to faithfully follow the rules and regulations governing the offering of TVET programs prescribed by the Authority
2. Computer Systems Servicing NC II (280 hours)	Certificate of TVET Program Registration	April 3, 2018	Subject to revocation should the institution fail to faithfully follow the rules and regulations governing the offering of TVET programs prescribed by the Authority

UPang and PUCUI

Name of License/Permit	Issuing Regulatory Body	License/Permit No.	Issue Date	Expiry Date
Authority to Accept Foreign Students	Bureau of Immigration	AAFS No. ADD01-003	2 February 2001	N/A
Business Permit – Upang	City of Dagupan	Permit No. 21-03-3611	23 March 2021	31 December 2021
Business Permit – PUCUI	City of Urdaneta	BP 3300 2021	16 February 2021	31 December 2021
Business Permit – PUCUI	City of Urdaneta	BP 3301 2021	16 February 2021	31 December 2021
Certificate of Incorporation - UPANG	SEC	Company Reg. No. 20507	28 March 1962	N/A
Certificate of Incorporation - PUCUI	Securities Exchange Commission	Company Reg. No. CS201422038	11 November 2014	N/A
Certificate of Registration - UPang	Bureau of Internal Revenue RDO 004	OCN: 4RC0000826129	16 September 2014	N/A
Certificate of Registration – PUCUI	Bureau of Internal Revenue RDO 006	OCN: 4RC0001117809	8 March 2018	N/A
Certificate of Registration - UPang	Social Security System	Employer No. 02-0001300-4-000	21 April 2021	N/A
Certificate of Registration – PUCUI	Social Security System	Employer No. 02-0997280-3-000	21 April 2021	N/A
Certificate of Registration – UPang	Philippine Health Insurance Corporation	Employer No. 231855000015	21 April 2021	N/A
Certificate of Registration – PUCUI	Philippine Health Insurance Corporation	Employer No. 005000010936	21 April 2021	N/A
Certificate of Remittance for Employer – UPang	Philippine Health Insurance Corporation	Control No. No.0504222021044_ER	22 April 2021	N/A
Certificate of Remittance for Employer – PUCUI	Philippine Health Insurance Corporation	Control No. No.0504222021045_ER	22 April 2021	N/A
Certification – UPang	Social Security System	COC No. 2021-074-MSR	21 June 2021	5 August 2021

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Registration – UPang	Pag-IBIG Fund (Home Development Mutual Fund)	Employer No. 202247770009	28 March 1962	N/A
Registration – PUCUI	Pag-IBIG Fund (Home Development Mutual Fund)	Employer No. 205731250004	8 October 2015	N/A

UPang Main Campus (Dagupan City)

UPang - CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. Graduate in Midwifery I & II	Government Recognition	S.Y. 1995-1996	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the CHED affecting the course approved</p> <p>CHED Chairman, through the Regional Office, reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the CHED.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the CHED, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
2. BS in Midwifery (I-IV)	Government Recognition	S.Y. 2016-2017	<p>Subject to revocation if the institution fails to operate in accordance with the Laws of the Republic of the Philippines and maintain the prescribed standards of instruction per CMO No. 33, s. 2007, otherwise known as “Policies and Standards for Midwifery Education”.</p> <p>Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.</p> <p>Given in accordance with the provisions of RA No. 7722, otherwise known as the “Higher</p>

Program	Status	Validity	
		Commencement	Expiration
			Education Act of 1994,” and by virtue of Resolution No. 153-2000, Series of 2000.
3. BS in Education	Government Recognition	1 July 1947	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the Department of Instruction affecting the course herein approved.</p> <p>Secretary of Instruction reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the Department of Instruction.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Department of Instruction, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
4. BS in Architecture	Government Recognition	19 July 1965	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>Secretary of Education reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
5. BS in Hospitality Management	Government Recognition	S.Y. 2005-2006	
6. BS in Computer Engineering	Government Recognition	S.Y. 1998-1999	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
7. BS in Computer Science major in Data Processing Management	Government Recognition	S.Y. 1993-1994	Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DECS affecting the course herein approved.

Program	Status	Validity	
		Commencement	Expiration
(Ladderized Curriculum)			<p>The Secretary of Education, Culture, and Sports reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DECS.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DECS, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
8. BS in Accountancy (Level I-IV)	Government Recognition	S.Y. 1992-1993	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DECS affecting the course herein approved.</p> <p>The Secretary of Education, Culture, and Sports reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DECS.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DECS, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
9. BS in Accounting Technology (Levels I-IV)	Government Recognition	S.Y. 2012-2013	<p>Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines</p>
10. BS in Criminology (Level I-IV)	Government Recognition	S.Y. 2013-2014	<p>Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines</p>
11. BS in Physical Therapy	Government Recognition	S.Y. 1997-1998	<p>Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and</p>

Program	Status	Validity	
		Commencement	Expiration
			regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines
12. BS in Elementary Education	Government Recognition	1 July 1968	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>Secretary of Education reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
13. BS in Medical Technology**	Government Recognition	14 June 1977	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DEC affecting the course herein approved.</p> <p>DEC reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DEC.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DEC, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
14. BS in Information Technology	Government Recognition	Issued 10 July 2001	<p>Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines</p> <p>Given in accordance with the provisions of RA No. 7722, otherwise known as the "Higher Education Act of 1994," and by virtue of Resolution No. 153-2000, Series of 2000.</p>

Program	Status	Validity	
		Commencement	Expiration
15. BS in Electronics and Communications Engineering (I-V)	Government Recognition	A.Y. 2005-2006	<p>Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.</p> <p>Given in accordance with the provisions of RA No. 7722, otherwise known as the "Higher Education Act of 1994," and by virtue of Resolution No. 153-2000, Series of 2000.</p>
16. BS in Electrical Engineering (I-V)	Government Recognition	A.Y. 2005-2006	<p>Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.</p> <p>Given in accordance with the provisions of RA No. 7722, otherwise known as the "Higher Education Act of 1994," and by virtue of Resolution No. 153-2000, Series of 2000.</p>
17. BS in Commerce	Government Recognition	July 1951	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course herein approved.</p> <p>The Secretary of the Department of Education reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the Department of Education.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Department of Education, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
18. BS in Nursing (Five Year Course)**	Government Recognition	7 June 1976	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DEC affecting the course herein approved.</p> <p>DEC reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this</p>

Program	Status	Validity	
		Commencement	Expiration
			<p>course, comply with all the requirements of the DEC.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DEC, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
19. BS in Tourism Management (Level I-IV)	Government Recognition	S.Y. 2013-2014	<p>Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.</p> <p>Given in accordance with the provisions of RA No. 7722, otherwise known as the "Higher Education Act of 1994," and by virtue of Resolution No. 153-2000, Series of 2000.</p>
20. Bachelor of Arts	Government Recognition	15 June 1953	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of the DepEd reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
21. BS in Civil Engineering	Government Recognition	Given 20 November 1952	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of the DepEd reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p>

Program	Status	Validity	
		Commencement	Expiration
			In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.
22. BS in Management Accounting	Government Recognition	S.Y. 1998-1999	<p>Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.</p> <p>Given in accordance with the provisions of RA No. 7722, otherwise known as the "Higher Education Act of 1994," and by virtue of Resolution No. 249-99, Series of 1999.</p>
23. Bachelor of Laws***	Government Recognition	1 July 1951	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of the DepEd reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
24. Master of Science in Management Engineering***	Government Recognition	2 June 1975	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of the DepEd reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted</p>

Program	Status	Validity	
		Commencement	Expiration
			by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.
25. Master of Arts in Education***	Government Recognition	13 June 1960	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of the DepEd reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
26. Master of Science in Business Administration	Government Recognition	7 July 1969	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of the DepEd reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
27. Doctor of Education	Government Recognition	4 June 1973	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of the DepEd reserves the right to satisfy himself that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said</p>

Program	Status	Validity	
		Commencement	Expiration
			course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.
28. BS in Mechanical Engineering (Level I)	Government Permit	S.Y. 2015-2016	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
29. BS in Mechanical Engineering (Level II)	Government Permit	S.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
30. BS in Mechanical Engineering (Level III)	Government Permit	S.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines
31. BS in Pharmacy (Level I)	Government Permit	S.Y. 2015-2016	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines. Given in accordance with the provisions of RA No. 7722, otherwise known as the "Higher Education Act of 1994".
32. BS in Pharmacy (Level II)	Government Permit	S.Y. 2016 – 2017	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines
33. BS in Pharmacy (Level III)	Government Permit	S.Y. 2017-2018	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.

Program	Status	Validity	
		Commencement	Expiration
			Given in accordance with the provisions of RA No. 7722, otherwise known as the "Higher Education Act of 1994".

*Permit was issued when the DepEd was known as the DECS.

** Permit was issued when the DepEd was known as the DECS.

***Permit issued by the DepEd

UPang - DepEd Permits

Program	Status	Validity	
		Commencement	Expiration
1. Basic Education Curriculum	Government Recognition	S.Y. 2003-2004	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of the DepEd reserves the right to satisfy himself that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
<p>2. Senior High School Program</p> <p>Academic: Accounting, Business and Management (ABM), Humanities and Social Sciences (HUMSS), Science, Technology, Engineering and Mathematics (STEM), and General Academics (GAs).</p> <p>Tech-Voc: Home Economics (Cookery, Tourism Promotion Services, Commercial Cooking, Caregiving and Housekeeping), Information and Communications Technology (Animation, Computer Hardware Servicing,</p>	Government Permit	S.Y. 2017-2018	<p>Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program.</p> <p>This permit shall remain valid until formally revoked by the DepEd.</p>

Program	Status	Validity	
		Commencement	Expiration
Illustration, Computer Programming, and Medical Transcription), Industrial Arts (Automotive Servicing)			

UPang - TESDA Permits

Program	Status	Validity	
		Commencement	Expiration
1. Caregiver NC II	Certificate of TVET Program Registration	21 June 2004	Valid subject to revocation should institution fail to faithfully comply with the rules and regulations governing the offering of prescribed TVET programs prescribed by the Authority. Certificate shall not extend to any other program or any other branch of the Institution.
2. Automotive Servicing NC II (734 hours)	Certificate of TVET Program Registration	14 June 2013	Valid subject to revocation should institution fail to comply with the rules and regulations governing the offering of prescribed TVET programs. Certificate shall not extend to any other program or any other branch of the Institution.
3. Automotive Servicing NC II (876 hours)	Certificate of TVET Program Registration	11 December 2015	Valid subject to revocation should institution fail to comply with the rules and regulations governing the offering of prescribed TVET programs. Certificate shall not extend to any other program or any other branch of the Institution.
4. Automotive Servicing NC I (219 hours)	Certificate of TVET Program Registration	11 December 2015	Valid subject to revocation should institution fail to comply with the rules and regulations governing the offering of prescribed TVET programs. Certificate shall not extend to any other program or any other branch of the Institution.
5. Food and Beverage Services NC II (499 hours)	Certificate of TVET Program Registration	13 June 2017	Valid subject to revocation should institution fail to faithfully comply with the rules and regulations governing the offering of prescribed TVET programs prescribed by the Authority. Certificate shall not extend to any other program or any other branch of the Institution.
6. Driving (Passenger Bus/Straight Truck) NC III (162 hours)	Certificate of TVET Program Registration	8 September 2017	Valid subject to revocation should institution fail to faithfully comply with the rules and regulations governing the offering of prescribed TVET programs prescribed by the Authority. Certificate shall not extend to any other program or any other branch of the Institution.

Program	Status	Validity	
		Commencement	Expiration
7. Bookkeeping NC III (412 hours)	Certificate of TVET Program Registration	20 March 2015	Valid subject to revocation should institution fail to comply with the rules and regulations governing the offering of prescribed TVET programs. Certificate shall not extend to any other program or any other branch of the Institution.

Urdaneta Campus

Urdaneta Campus - CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. BS in Accounting Technology (Level I)	Government Permit	S.Y. 2015-2016	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
2. BS in Accounting Technology (Level II)	Government Permit	S.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
3. BS in Accounting Technology (Levels III and IV)	Government Recognition	S.Y. 2018-2019	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
4. BS in Entrepreneurship (Level I)	Government Permit	S.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
5. BS in Entrepreneurship (Levels II -III)	Government Permit	S.Y. 2019-2020	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization,

Program	Status	Validity	
		Commencement	Expiration
			administration and supervision of private HEIs in the Philippines
6. BS in Computer Science (Level I)	Government Permit	S.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
7. BS in Computer Science (Levels II-III)	Government Permit	S.Y. 2019-2020	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
8. BS in Accountancy (Level I)	Government Permit	S.Y. 2015-2016	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
9. BS in Accountancy (Level II)	Government Permit	S.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
10. BS in Accountancy (III and IV)	Government Recognition	S.Y. 2018-2019	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
11. BS in Civil Engineering (Level I)	Government Permit	S.Y. 2015-2016	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
12. BS in Civil Engineering (Level II)	Government Permit	S.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to

Program	Status	Validity	
		Commencement	Expiration
			maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
13. BS in Civil Engineering (Level III)	Government Permit	S.Y. 2017-2018	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
14. BS in Criminology (Level I)	Government Permit	S.Y. 2015-2016	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
15. BS in Criminology (Level II)	Government Permit	S.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
16. BS in Criminology (Level III)	Government Permit	S.Y. 2017-2018	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
17. BS in Criminology (I-IV)	Government Recognition	S.Y. 2019-2020	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
18. BS in Tourism Management (Level I)	Government Permit	S.Y. 2015-2016	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines

Program	Status	Validity	
		Commencement	Expiration
19. BS in Tourism Management (Level II)	Government Permit	S.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
20. BS in Tourism Management (I-IV)	Government Recognition	S.Y. 2019-2020	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
21. BS in Entrepreneurship (Levels I -IV)	Government Permit	S.Y. 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
22. BS in Computer Science (Levels I-IV)	Government Permit	A.Y. 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
23. Bachelor of Science in Civil Engineering	Government Permit	A.Y. 2019-2020	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
24. Bachelor of Arts in English Language (Level i)	Government Permit	S.Y. 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
25. Bachelor of Science in Architecture (Level 1)	Government Permit	S.Y 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules

Program	Status	Validity	
		Commencement	Expiration
			and regulations for organization, administration and supervision of private HEIs in the Philippines
26. Bachelor of Science in Internal Auditing (Level 1)	Government Permit	S.Y 2020-2021	Subject to revocation if grantee fails to operate in accordance with relevant laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines

Urdaneta Campus - DepEd Permits

Program	Status	Validity	
		Commencement	Expiration
<p>1. Senior High School Program</p> <p>Academic: Accounting, Business and Management (ABM), Humanities and Social Sciences (HUMSS), Science, Technology, Engineering and Mathematics (STEM), and General Academics (GAs).</p> <p>Tech-Voc: Home Economics (Cookery, Tourism Promotion Services, Commercial Cooking, Caregiving and Housekeeping), Information and Communications Technology (Animation, Computer Hardware Servicing, Illustration, Computer Programming, and Medical Transcription), Industrial Arts (Automotive Servicing)</p>	Government Permit	S.Y. 2017-2018	<p>Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program.</p> <p>This permit shall remain valid until formally revoked by the DepEd.</p>

SWU

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Business Permit	Cebu City Government	Permit No. 98885	15 January 2020	31 December 2021
Certificate of Accreditation	Bureau of Immigration	No. RBR00-050	18 May 2001	N/A
Certificate of Employer's Registration	Pag-IBIG Fund (Home Development Mutual Fund)	Employer No. 202295550006	23 April 2021	N/A
Certificate of Incorporation	SEC	Company Reg. No. 5956	4 April 1951	N/A
Certificate of Good Payment Standing	Philippine Health Insurance Corporation	Control No. CB2104400099	22 June 2021	22 September 2021

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Certificate of Registration	Bureau of Internal Revenue RDO 123	OCN:8RC0001559676E	26 April 2018	N/A
Certificate of Registration	Department of Labor and Employment Region VII	EIN No. 07-2021-54103024	3 May 2021	N/A
Certificate of Registration	Philippine Health Insurance Corporation	Employer No. 201722302667	21 April 2021	N/A
Certificate of Registration	Social Security System	Employer No. 06-0003800-3-000	22 April 2021	N/A
Clearance Certificate	Pag-IBIG Fund (Home Development Mutual Fund)	Control No. 1501-000157-P	22 June 2021	22 June 2022
Environmental Compliance Certificate	Environment Management Bureau Region VII	ECC-OL-R07-2017-0133	6 October 2017	N/A
Hazardous Waste Generator Registration Certificate	Environment Management Bureau Region VII	GR-R7-22-00723	24 May 2019	N/A
Permit to Operate Air Pollution Source and Control Installations	Environment Management Bureau Region VII	POA-19-H-072249-786	30 September 2019	1 August 2023
Wastewater Discharge Permit	Environment Management Bureau Region VII	DP-R7-19-02566	4 September 2019	4 September 2023

SWU - CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. BS in Tourism	Government Recognition	C.Y. 1999-2000	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
2. BS in Information Technology	Government Recognition	C.Y. 2000-2001	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain

Program	Status	Validity	
		Commencement	Expiration
			the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
3. BS in Accountancy	Government Recognition	A.Y. 2005-2006	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
4. BS in Hotel and Restaurant Management*	Government Recognition	-	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the Ministry of Education, Culture and Sports affecting the course herein approved.</p> <p>Minister of Education, Culture, and Sports reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the Ministry of Education, Culture, and Sports.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Ministry of Education, Culture, and Sports, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
5. Bachelor of Laws	Government Recognition	22 June 1981	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the Ministry of Education, Culture and Sports affecting the course herein approved.</p> <p>Minister of Education, Culture, and Sports reserves the right to satisfy himself, either personally or through accredited representatives, of the fact</p>

Program	Status	Validity	
		Commencement	Expiration
			<p>that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the Ministry of Education, Culture, and Sports.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Ministry of Education, Culture, and Sports, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
6. BS in Physical Therapy (Fourth Year Level)*	Government Recognition	11 June 1990	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the DECS affecting the course herein approved.</p> <p>The Secretary of Education, Culture, and Sports reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DECS.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DECS, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
7. BS in Nursing**	Government Recognition	9 June 1980	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course herein approved.</p> <p>Minister of Education and Culture reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course,</p>

Program	Status	Validity	
		Commencement	Expiration
			<p>comply with all the requirements of the Ministry of Education and Culture.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Ministry of Education, Culture, and Sports, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
8. BS in Elementary Education	Government Recognition	6 July 1970	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of Education reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
9. BS in Education**	Government Recognition	1948	
10. Post-Graduate Course in Education leading to the degree of Doctor of Education (Ed.D).	Government Recognition	June 7, 1982	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of Education reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p>

Program	Status	Validity	
		Commencement	Expiration
			In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.
11. BS in Medical Technology	Government Recognition	3 July 1967	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the DepEd affecting the course herein approved.</p> <p>The Secretary of Education reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
12. M.A. in Education	Government Recognition	1951	
13. Complete Medicine	Government Recognition	1954	
14. BS in Medical Technology (First to Third Year Level)	Government Recognition	1964	
15. BS in Medical Technology (Fourth Year Level)	Government Recognition	1967	
16. BS in Optometry (First to Second Year Level)	Government Recognition	1973	
17. BS in Optometry (Third to	Government Recognition	1975	

Program	Status	Validity	
		Commencement	Expiration
Fourth Year Level)			
18. BS in Dentistry (I-IV)	Government Recognition	1967	
19. Complete Pharmacy	Government Recognition	1951	
20. A.B. (General; First to Fourth Year Level)	Government Recognition	1955	
21. Bachelor of Arts & Sciences (First to Fourth Year Level)	Government Recognition	1955	
22. Chemical Engineering (First to Third Year Level)	Government Recognition	1963	
23. Chemical Engineering (Four Year Level)	Government Recognition	1964	
24. Chemical Engineering (Fifth Year Level)	Government Recognition	1965	
25. BS in Mechanical Engineering (First to Third Year Level)	Government Recognition	1965	
26. BS Chemistry (I-IV)	Government Recognition	1972	
27. Electrical Engineering (First to Third Year Level)	Government Recognition	1965	
28. BS in Commerce (First to Second Year Level)	Government Recognition	1951	
29. BS in Commerce (Third to Fourth Year Level)	Government Recognition	1975	
30. BS in Foods & Nutrition (First to Fourth Year Level)	Government Recognition	1975	
31. BS in Home Economics	Government Recognition	1951	

Program	Status	Validity	
		Commencement	Expiration
32. Two-Year Secretarial Science (Now Junior Secretarial)	Government Recognition	1963	
33. BS in Physical Education*	Government Recognition	June 1985	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course herein approved.</p> <p>Department of Education and Culture reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the Ministry of Education and Culture.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Ministry of Education, Culture, and Sports, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
34. MA in Teaching Major in: Science, Pilipino, Physical Education, Special Education & English*	Government Recognition	18 October 1984	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the Department of Education affecting the course herein approved.</p> <p>The Secretary of Education reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the Department of Education.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared</p>

Program	Status	Validity	
		Commencement	Expiration
			forfeited in accordance with the provisions of Section 8 of Act 2706
35. MA in Nursing**	Government Recognition	14 June 1982	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course herein approved.</p> <p>Minister of Education and Culture reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the Ministry of Education and Culture.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Ministry of Education, Culture, and Sports, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
36. Doctor of Veterinary Medicine (Six Years)	Government Recognition	C.Y. 2001-2002	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
37. Doctor of Medicine	Government Recognition	2015-2016	Subject to revocation if the herein grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to maintain the prescribed standards of instructions and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public Higher Education Institutions (HEIs) in the Philippines.
38. BS in Occupational Therapy (Fourth Year Level,	Government Permit	A.Y. 2016-2017	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the

Program	Status	Validity	
		Commencement	Expiration
Including First Second and Third Year Level)			CHED pertaining to the organization, administration and supervision of private HEIs. School Authorities shall inform CHED of any plan or action regarding closure or phasing out of the program or any change(s) in the prescribed requirements.
39. Bachelor of Science in Architecture (First Year Level)	Government Permit	A.Y. 2018-2019	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs. School Authorities shall inform CHED of any plan or action regarding closure or phasing out of the program or any change(s) in the prescribed requirements.
40. Bachelor of Science in Radiologic Technology First Year	Temporary Permit	A.Y 2019-2020	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs.

*Permit was issued when the DepEd was known as the DECS.

** Permit was issued when the DepEd was known as the Department of Education and Culture (“DEC”).

SWU - DepEd Permits

Program	Status	Validity	
		Commencement	Expiration
1. Complete Elementary Course	Government Recognition	1964	
2. Secondary (Day)	Government Recognition	1948	
3. Secondary (Night)	Government Recognition	1951	
4. Senior High School Program Arts and Design with Concentration in Arts Production (Visual	Provisional Permit	S.Y. 2017-2018	Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of

Program	Status	Validity	
		Commencement	Expiration
Arts, Media Arts, and Literary Arts)			the Senior High School Program under the Enhanced Basic Education Program. This permit shall remain valid until formally revoked by the DepEd.
5. Senior High School Program Academic: Accountancy, ABM, HUMSS, STEM and GAs Tech-Voc: Home Economics with specializations in Bread and Pastry Production, Housekeeping, Food and Beverage Services, Tour Guiding, Tourism Promotion Services, Attraction and Theme Parks, Information and Communications Technology with specialization in Computer Programming, Sports	Provisional Permit	S.Y. 2016-2017	Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program. This permit shall remain valid until formally revoked by the DepEd.
6. Senior High School Program (Grades 11 and 12)	Provisional Permit	S.Y. 2016-2017	-

SJCI

Name of License/Permit	Issuing Regulatory Body	License/Permit No.	Issue Date	Expiry Date
Business Permit	City of Manila	Permit No. 2021029861	10 February 2021	31 December 2021
Certificate of Incorporation	Securities and Exchange Commission	Company Reg. No. AS095006912	19 July 1995	N/A
Certificate of Accreditation	Bureau of Immigration	AAFS No. ADD-2001-029	1 July 2014	N/A
Certificate of Registration	Bureau of Internal Revenue RDO 032	OCN: 1RC0001115993	13 July 2018	N/A

SJCI - CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. BS in Entrepreneurship	Government Recognition	A.Y. 2011-2012	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations for organization, administration and supervision of private Higher Education Institutions (“HEIs”) in the Philippines
2. BS in Information Technology	Government Recognition	S.Y. 2011-2012	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines.
3. BS in Respiratory Therapy	Government Recognition	20 February 1997	Subject to revocation if the grantee fails to observe and maintain any of the required standards of the CHED affecting the course herein approved, the authority hereby granted shall be taken over and kept in the files of the CHED. In case of revocation, guaranty bond of the school shall be declared forfeited in accordance with the provisions of RA 2706.
4. BS in Midwifery	Government Permit	S.Y. 2013-2014	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs. School Authorities shall inform CHED of any plan or action regarding closure or phasing out of the program or any change(s) in the prescribed requirements.
5. BS in Elementary Education with Area of Concentration in English, Filipino, Science and Health	Government Recognition	S.Y. 2004-2005	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
6. BS in Medical Technology/Medical Laboratory Science	Government Recognition	A.Y. 2015-2016	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or

Program	Status	Validity	
		Commencement	Expiration
			<p>fails to comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs.</p> <p>School Authorities shall inform CHED of any plan or action regarding closure or phasing out of the program or any change(s) in the prescribed requirements.</p>
7. BS in Secondary Education Major in English, Filipino, Mathematics, and General Science	Government Recognition	S.Y. 2004-2005	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
8. BS in Computer Science	Government Recognition	S.Y. 1999-2000	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
9. BS in Pharmacy	Government Recognition	S.Y. 2013-2014	<p>Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs.</p> <p>School Authorities shall inform CHED of any plan or action regarding closure or phasing out of the program or any change(s) in the prescribed requirements.</p>
10. BS in Tourism Management	Government Recognition	A.Y. 2013-2014	<p>Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the CHED pertaining to the organization, administration and supervision of private HEIs.</p> <p>School Authorities shall inform CHED of any plan or action regarding closure or phasing out of the program or any change(s) in the prescribed requirements.</p>

Program	Status	Validity	
		Commencement	Expiration
11. BS in Radiologic Technology*	Government Recognition	S.Y.1985-1986	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the Ministry of Education, Culture and Sports affecting the course herein approved.</p> <p>Minister of Education, Culture, and Sports reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the Ministry of Education, Culture, and Sports.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Ministry of Education, Culture, and Sports, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706</p>
12. BS in Physical Therapy	Government Recognition	S.Y. 1998-1999	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
13. BS in Occupational Therapy	Government Recognition	S.Y. 2001-2002	Subject to revocation if grantee fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
14. BS in Hotel and Restaurant Management*	Government Recognition	19 January 1993	Subject to revocation in case of failure of the school to observe and maintain any of the required standards of the Department of Education, Culture and Sports. ("DECS")
15. BS in Nursing (Fourth to Fifth Year Level)**	Government Recognition	14 June 1977	Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the DEC affecting the course herein approved.

Program	Status	Validity	
		Commencement	Expiration
			<p>DEC reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DEC.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DEC, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
16. BS in Criminology	Government Permit	S.Y. 2019-2020	Subject to revocation if institution fails to operate in accordance with the laws of the Republic of the Philippines and/or fails to comply with the rules and regulations of the Commission on Higher Education pertaining to the organization, administration and supervision of private higher education institutions.
17. Master in Public Administration	Government Recognition	S.Y. 2012-2013	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
18. Master in Hospital Administration*	Government Recognition	16 June 1986	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the Ministry of Education, Culture and Sports affecting the course herein approved.</p> <p>Minister of Education, Culture, and Sports reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the Ministry of Education, Culture, and Sports.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken</p>

Program	Status	Validity	
		Commencement	Expiration
			over and kept in the files of the Ministry of Education, Culture, and Sports, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706
19. MA in Teaching Nursing Education**	Government Recognition	13 June 1978	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the DEC affecting the course herein approved.</p> <p>DEC reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DEC.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DEC, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
20. MA in Nursing	Government Recognition	S.Y. 2006-2007	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations pertaining to the organization, administration and supervision of private/public HEIs in the Philippines.
21. MS in Nursing	Government Recognition	S.Y. 2013-2014	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
22. Master in Healthcare Administration	Government Recognition	A.Y. 2015-2016	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines.

Program	Status	Validity	
		Commencement	Expiration
23. MA in Education Major in Educational Administration	Government Recognition	S.Y. 1997-1998	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines.
24. PhD in Educational Management Program	Government Recognition	S.Y. 2010-2011	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
25. Master of Science in Radiologic Technology	Government Recognition	A.Y. 2018-2019	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
26. Four Year Collegiate Commercial Course leading to the degree of Bachelor of Science in Commerce (BSC)	Government Recognition	7 June 1976	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
27. First to Fourth Year of the Four-Year Food and Nutrition Course leading to the degree of Bachelor of Science in Foods and Nutrition	Government Recognition	13 June 1978	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
28. Four Year BS in Secretarial Administration Course leading to the degree of Bachelor of Science in Secretarial Administration (BSSA)	Government Recognition	7 June 1976	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared

Program	Status	Validity	
		Commencement	Expiration
			forfeited in accordance with the provisions of Section 8 of Act 2706.
29. Third and Fourth Years of the Liberal Arts Course leading to the degree of Bachelor of Arts (AB)	Government Recognition	7 June 1976	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education and Culture affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.

SJCI - DepEd Permits

Program	Level of Accreditation	Validity	
		Commencement	Expiration
1. Nursery/Kindergarten	Government Recognition	5 November 1986	
2. Elementary	Government Recognition	11 December 1990	
3. Academic Secondary Course (Day)**	Government Recognition	13 June 1979	<p>Subject to revocation in case of failure on the part of the above-named school to observe and maintain any of the required standards of the Ministry of Education and Culture affecting the course herein approved.</p> <p>Minister of Education and Culture reserves the right to satisfy himself, either personally or through accredited representatives, of the fact that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the Ministry of Education and Culture.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Ministry of Education, Culture, and Sports, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
4. Senior High School Program Academic: Accounting, Business and Management	Provisional Permit	S.Y. 2016-2017	Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program.

Program	Level of Accreditation	Validity	
		Commencement	Expiration
(“ABM”), Humanities and Social Sciences (“HUMSS”), Science, Technology, Engineering and Mathematics (“STEM”), and General Academics (“GAs”).			<p>This permit shall remain valid until formally revoked by the DepEd.</p> <p>School authorities shall inform DepEd of any plan or action regarding closure or phasing out of the program/s or any change/s or deviation/s from the prescribed requirements.</p>
<p>5. Senior High School Program</p> <p>Tech-Voc: Home Economics (Food and Beverage Services, Bread and Pastry Production, Culinary), Information and Communication Technology (Computer Programming)</p>	Provisional Permit	S.Y. 2016-2017	<p>Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program.</p> <p>This permit shall remain valid until formally revoked by the DepEd.</p> <p>School authorities shall inform DepEd of any plan or action regarding closure or phasing out of the program/s or any change/s or deviation/s from the prescribed requirements.</p>
<p>6. Senior High School Program</p> <p>Technical-Vocational-Livelihood: Home Economics – Tourism Promotion Services</p>	Provisional Permit	S.Y. 2016-2017	<p>Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program.</p> <p>This permit shall remain valid until formally revoked by the DepEd.</p> <p>School authorities shall inform DepEd of any plan or action regarding closure or phasing out of the program/s or any change/s or deviation/s from the prescribed requirements.</p>
<p>7. Senior High School Program</p> <p>Technical-Vocational-Livelihood: Home Economics –</p>	Provisional Permit	S.Y. 2016-2017	<p>Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program.</p>

Program	Level of Accreditation	Validity	
		Commencement	Expiration
House Keeping, Cookery			<p>This permit shall remain valid until formally revoked by the DepEd.</p> <p>School authorities shall inform DepEd of any plan or action regarding closure or phasing out of the program/s or any change/s or deviation/s from the prescribed requirements.</p>

*Permit was issued when the DepEd was known as the DECS.

** Permit was issued when the DepEd was known as the DEC.

RCI

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Mayor's Permit	Quezon City	Mayor's Permit No. 18-006370	10 May 2021	31 December 2021
Certificate of Incorporation	Securities and Exchange Commission	Company Reg. No. 4378	6 May 1949	N/A
Certificate of Registration	Bureau of Internal Revenue RDO 040	OCN: 3RC0000582963	20 February 2013	N/A
Authority to Accept Foreign Students	Bureau of Immigration	AAFS No. ADD02-040	15 May 2002	N/A

RCI - CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. Third and Fourth Years of the Liberal Arts (A.B.)	Government Recognition	July 6, 1971	
2. Bachelor of Science in Commerce	Government Recognition	1974	
3. Bachelor of Science in Education	Government Recognition	-	
4. Master of Arts in Education	Government Recognition	-	In case of failure on the part of the school to observe and maintain any of the required standards of the Ministry of Education, Culture and Sports affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
5. Master in Business Administration	Government Recognition	S.Y. 1997-1998	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules

Program	Status	Validity	
		Commencement	Expiration
			and regulations for organization, administration and supervision of private HEIs in the Philippines
6. Master of Science in Criminology	Government Recognition	C.Y. 1999-2000	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines

RCI - DepEd Permits

Program	Status	Validity	
		Commencement	Expiration
1. Nursery/ Kindergarten	Government Recognition	April 4, 1975	
2. Elementary (I-IV)	Government Recognition	1975	
3. Elementary (-VI)	Government Recognition	September 11, 1981	
4. Secondary Course	Government Recognition	June 1, 1959	
5. Senior High School Program Academic: Accountancy, Business, Management (ABM)	Provisional Permit	S.Y 2015-2016	Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program. This permit shall remain valid until formally revoked by the DepEd. School authorities shall inform DepEd of any plan or action regarding closure or phasing out of the program/s or any change/s or deviation/s from the prescribed requirements.
6. Senior High School Program Academic: General Academic	Provisional Permit	S.Y 2015-2016	Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program. This permit shall remain valid until formally revoked by the DepEd. School authorities shall inform DepEd of any plan or action regarding closure or phasing out

Program	Status	Validity	
		Commencement	Expiration
			of the program/s or any change/s or deviation/s from the prescribed requirements.

RCL

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Business Permit	City of Calamba	Permit No. 2020-03742	16 January 2020	31 May 2021 (renewal application on-going)
Certificate of Incorporation	Securities and Exchange Commission	Company Reg. No. 59181	12 December 1974	N/A
Certificate of Registration	Bureau of Internal Revenue RDO 056	OCN: 1RC0001078911	14 April 2018	N/A
Certificate of Registration	Philippine Health Insurance Corporation	Employer No. 200534300168	10 July 2019	N/A

RCL - CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. Bachelor of Science in Business Administration	Government Recognition	CY 1999-2000	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
2. Bachelor of Science in Industrial Technology major in Electrical Technology	Government Recognition	CY 2000-2001	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
3. Bachelor of Science in Office Administration	Government Recognition	CY 1999-2000	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
4. Bachelor of Secondary Education majors in English and Filipino	Government Recognition	CY 1997-1998	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines

RCL - DepEd Permits

Program	Status	Validity	
		Commencement	Expiration
1. Complete Secondary Course	Government Recognition	SY 1999-2000	In case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education, Culture and Sports affecting the course, the authority granted may be revoked and cancelled. The guaranty bond of the school shall likewise be declared forfeited in accordance with the provisions of Section 8 of Act 2706.
2. Senior High School Program Academic: Accountancy, Business, and Management (ABM), General Academics (GAs) Tech-Voc: Industrial Arts (Electrical Installation and Maintenance), Information and Communications Technology (Computer Hardware and Servicing)	Provisional Permit	SY 2016-2017	Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program. This permit shall remain valid until formally revoked by the DepEd. School authorities shall inform DepEd of any plan or action regarding closure or phasing out of the program/s or any change/s or deviation/s from the prescribed requirements.
3. Senior High School Program Tech-Voc: Information and Communications Technology – Computer Programming (.Net Technology, Java, Oracle Database)	Provisional Permit	SY 2019-2020	Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program. This permit shall remain valid until formally revoked by the DepEd. School authorities shall inform DepEd of any plan or action regarding closure or phasing out of the program/s or any change/s or deviation/s from the prescribed requirements.

RCL - TESDA Permits

Program	Status	Validity	
		Commencement	Expiration
1. One-Year Course in Refrigeration and Air Conditioning One-Year Course in Automotive Mechanic One-Year Course in Diesel Mechanic Two-Year Television Technician Course Six-Month Telephone Switchboard Technician Course	Government Recognition	June 7, 1976	Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the DepEd affecting the course herein approved. The Secretary of the DepEd reserves the right to satisfy himself that the instruction and the conditions affecting instruction in this course, comply with all the requirements of the DepEd. In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the DepEd, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.

UCLI

Name of License/Permit	Issuing Regulatory Body	License/ Permit No.	Issue Date	Expiry Date
Certificate of Registration	Department of Labor and Employment Region IV-A	Certificate No. RE-LPO-0414-194	11 April 2014	N/A
Mayor's Permit	Santa Cruz, Laguna	Permit No. 2021-0002413	22 March 2021	31 December 2021

UCLI - CHED Permits

Program	Status	Validity	
		Commencement	Expiration
1. Bachelor of Arts in Communication	Government Recognition	AY 2012-2013	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
2. Bachelor of Arts (Fourth year of the Liberal Arts Course)	Government Recognition	July 1, 1968	Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course herein approved. In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Department of Education, and the guaranty bond submitted by the said school

Program	Status	Validity	
		Commencement	Expiration
			declared forfeited in accordance with the provisions of Section 8 of Act 2706.
3. Bachelor of Science in Accountancy	Government Recognition	CY 2007-2008	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
4. Bachelor of Science in Commerce (Fourth year level)	Government Recognition	July 3, 1972	Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course herein approved. In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Department of Education, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.
5. Bachelor of Science in Computer Engineering	Government Recognition	CY 2004-2005	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
6. Bachelor of Science in Computer Science	Government Recognition	SY 1996-1997	Subject to revocation in case of failure of school to observe and maintain any of the required standards of the Commission of Higher Education. In case of revocation, the records of the students who attended the said course may be taken over and kept in the files of the Commission of Higher Education, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.
7. Bachelor of Science in Criminology	Government Recognition	AY 2013-2014	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to comply with the rules and regulations of the Commission on Higher Education pertaining to the organization, administration and supervision of private education institutions.
8. Bachelor of Science in Education (Third and Fourth year levels)	Government Recognition	June 10, 1957	Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course herein approved.

Program	Status	Validity	
		Commencement	Expiration
			In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Department of Education, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.
9. Bachelor of Science in Elementary Education (Fourth year level)	Government Recognition	July 6, 1970	<p>Subject to revocation in case of failure on the part of the school to observe and maintain any of the required standards of the Department of Education affecting the course herein approved.</p> <p>In case of revocation, the records of the students who have actually attended the said course may be taken over and kept in the files of the Department of Education, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
10. Bachelor of Science in Hotel & Restaurant Management	Government Recognition	CY 2003-2004	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
11. Bachelor of Science in Information Technology	Government Recognition	CY 2003-2004	Subject to revocation if grantee fails to operate in accordance with relevant laws and/or fails to maintain the prescribed standards of instruction and/or fails to comply with the rules and regulations for organization, administration and supervision of private HEIs in the Philippines
12. Bachelor of Science in Office Administration	Government Recognition	AY 2010-2011	<p>Subject to revocation in case of failure of school to observe and maintain any of the required standards of the Commission of Higher Education.</p> <p>In case of revocation, the records of the students who attended the said course may be taken over and kept in the files of the Commission of Higher Education, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.</p>
13. Master in Public Administration	Government Recognition	June 17, 1985	Subject to revocation in case of failure of school to observe and maintain any of the required standards of the Ministry of Education, Culture and Sports and the guaranty bond submitted by the said school

Program	Status	Validity	
		Commencement	Expiration
			declared forfeited in accordance with the provisions of Section 8 of Act 2706.
14. Master of Arts in Education major in Psychology	Government Recognition	July 6, 1970	Subject to revocation in case of failure of school to observe and maintain any of the required standards of the Department of Education In case of revocation, the records of the students who attended the said course may be taken over and kept in the files of the Department of Education, and the guaranty bond submitted by the said school declared forfeited in accordance with the provisions of Section 8 of Act 2706.

UCLI – DepEd Permits

Program	Status	Validity	
		Commencement	Expiration
1. Kindergarten, Complete Elementary and Secondary Courses	Government Recognition	1963, 1965, and 1949	
2. Senior High School Program Academic: GAs, HUMSS, ABM TechVoc: Information and Communications Technology (Computer Hardware Servicing), Home Economics (Housekeeping, Food and Beverage Services, Bartending and Bread and Pastry Production)	Provisional Permit	SY 2016-2017	Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program. This permit shall remain valid until formally revoked by the DepEd. School authorities shall inform DepEd of any plan or action regarding closure or phasing out of the program/s or any change/s or deviation/s from the prescribed requirements.
3. Senior High School Program Academic: STEM	Provisional Permit	SY 2017-2018	Subject to revocation anytime the school fails to maintain the standards require for the program and to faithfully follow all laws, rules and regulations and the requirements/standards of the DepEd governing the operation and adoption of the Senior High School Program under the Enhanced Basic Education Program. This permit shall remain valid until formally revoked by the DepEd. School authorities shall inform DepEd of any plan or action regarding closure or phasing

Program	Status	Validity	
		Commencement	Expiration
			out of the program/s or any change/s or deviation/s from the prescribed requirements.

REGULATORY ENVIRONMENT

Effects of existing and probable governmental regulations on the business are further discussed in the *Regulatory Framework*.

RESEARCH AND DEVELOPMENT

The Company has not allocated fund for research and development activities.

HEALTH, SAFETY, AND ENVIRONMENTAL MATTERS

PHINMA has created programs to align its policies and operational procedures with government laws and regulations. The Company has developed a strategic plan to mitigate the impact of operations on the environment and to make efficient use of raw materials. PHINMA also looks after the responsible use of these materials including water, energy, and raw. These programs are guided by the need to sustainably make lives better for people, planet and progress through the below sustainability framework:



PHINMA has incurred no significant, additional costs in ensuring environmental compliance as costs are embedded within operation through the preventive maintenance of equipment, the installation of new technologies that reduce emissions, and the training and development of employees. The Company remains steadfast in creating measures to leave positive handprints in areas where it operates.

For projects that might have an adverse effect on the environment, the Company secures an ECC and abides by the conditions set by the DENR. In case the project is in an environment-critical area, an Environment Impact Statement (“EIS”), a document containing the project’s impact to the ecological and social conditions of local stakeholders, as well as the mitigation measures to be undertaken, is prepared as a prerequisite to obtaining the ECC. The Company secures all environment-related permits and licenses before construction and commercial operation of its operating companies.

In addition to the ECC-mandated requirements from the DENR, PHINMA complies with all relevant environmental laws. For resource management, PHINMA creates measures to reduce its overall water consumption through conservation initiatives in project sites and installation of new technologies. Effluents are aligned with the Philippine Clean Water Act of 2004 standards and pass all requirements set by the DENR. Likewise, PHINMA is compliant with local and national regulations of air quality standards as guided by the Philippine Clean Air Act of 1999. Each strategic business unit has integrated business practices on monitoring air emissions and have installed facilities to improve air quality such as dust collection system, carbon filtration system and water scrubber. 3rd party laboratories accredited by DENR-Environmental Management Bureau administer quarterly tests to ensure accuracy and transparency of the report. Below are the key environmental data for the period January 1, 2020 to December 31, 2020.

Energy Energy Consumption 12,600,949 Kwh Renewable Resources 619,069 Kwh <i>(Scope: PHINMA Education, UGC)</i> Energy from LPG 296,694 Kwh <i>(Scope: UGC)</i>		GHG Emissions Direct 973 MtCO _{2e} <i>(Scope: UGC covering industrial use of LPG and VOCs from paints)</i> Energy Indirect 8,974 MtCO _{2e} GHG Reduction 4,554 MtCO _{2e} Direct Reduction 843 MtCO _{2e} Indirect GHG Reduction 3,750 MtCO _{2e} <i>(from PHINMA Solar energy production)</i>													
Waste Management Solid Waste Generated 1,957 tons Solid Waste Reused/Recycled/Composted 463 tons <i>(24% of total generated)</i> Hazardous Waste Generated 73 tons Hazardous Waste Transported 62 tons <i>(remaining are stored property)</i>		Trees Planted 9,750 trees in 7 areas Cement Tonner Bags recycled by Philcement 7,505 tonner bags													
Water Consumption Total Water Consumption 1,396,838.53 m ³ <i>PHINMA Properties 1,135,599 m³</i> <i>UGC 183,195 m³</i>		Air Quality <table border="1"> <thead> <tr> <th></th> <th><u>UGC</u></th> <th><u>Philcement</u></th> </tr> </thead> <tbody> <tr> <td>NOx <i>(limit: 200 µg/NCm)</i></td> <td>7.71 µg/NCm</td> <td>2.22 µg/NCm</td> </tr> <tr> <td>SOx <i>(limit: 50 µg/NCm)</i></td> <td>10.46 µg/NCm</td> <td>8.32 µg/NCm</td> </tr> <tr> <td>TSP <i>(limit: 230 µg/NCm)</i></td> <td>NA</td> <td>73.3 µg/NCm</td> </tr> </tbody> </table>			<u>UGC</u>	<u>Philcement</u>	NOx <i>(limit: 200 µg/NCm)</i>	7.71 µg/NCm	2.22 µg/NCm	SOx <i>(limit: 50 µg/NCm)</i>	10.46 µg/NCm	8.32 µg/NCm	TSP <i>(limit: 230 µg/NCm)</i>	NA	73.3 µg/NCm
	<u>UGC</u>	<u>Philcement</u>													
NOx <i>(limit: 200 µg/NCm)</i>	7.71 µg/NCm	2.22 µg/NCm													
SOx <i>(limit: 50 µg/NCm)</i>	10.46 µg/NCm	8.32 µg/NCm													
TSP <i>(limit: 230 µg/NCm)</i>	NA	73.3 µg/NCm													

Additional details can be found in PHINMA's Sustainability Report 2020.

EMPLOYEES

As of June 30, 2021, the Company has a total of 28 permanent staff. The table below presents a breakdown of PHINMA employees by type:

Function	No. of Employees
Management	10
Staff	18
Total	28

Part of the Company's management team are seconded from PHINMA, Inc., the Company's ultimate parent, who designs the overall corporate strategy of the Group. The Company has a 5-year management contract with PHINMA, Inc. up to June 30, 2024, renewable thereafter upon mutual agreement. Under this contract, PHINMA, Inc. has the general management authority with the corresponding responsibility over all operations and personnel of the Company including the top-level planning, direction and supervision of all operations, marketing, financial and other developmental and business activities of the Company. PHINMA, Inc. also provides support services such as human resource, information technology, and legal services to the Company.

As of December 31, 2020, none of the Company's employees belonged to any union nor were they parties to any collective bargaining agreements. As of the date of this Prospectus, the Company has not experienced any strikes or other disruptions due to labor disputes in the past three (3) years. The Company consistently benefited from low staff turnover rates and strong management-employee relations.

Apart from the government-mandated benefits (Social Security System, Pag-IBIG, and PhilHealth), compensation received by Officers who are not members of the Board of Directors of the Company include salaries, bonuses and other benefits.

All permanent and regular employees of the Company and its subsidiaries are covered by PHINMA Group retirement plan. Said plan provides benefits upon normal retirement beginning at age sixty (60), early retirement beginning at age fifty (50) with completion of at least ten (10) years of service, voluntary separation beginning upon completion of at least ten (10) years of service, total and physical disability, death and involuntary separation. The benefits are based on the employee's final monthly basic salary and length of service.

The Company also provides a defined contribution plan that covers all regular full-time employees under which the Company pays fixed contributions based on the percentage contributed by the employees from their monthly salaries.

There has been no significant lay-offs at PHINMA due to the COVID-19 pandemic and do not expect a substantial change in the workforce in the next twelve (12) months.

INSURANCE

PHINMA's assets are properly secured in terms of insurance protection. This includes coverage for fire, electronic equipment and motor insurance, property floater for paintings and works of arts, and general comprehensive liability. The Company has also group life and accident insurance for its employees as well as directors' liability insurance coverage through PHINMA, Inc.

Similar to PHINMA, the subsidiaries assets are properly secured in terms of insurance protection. Insurance coverage includes surety bond, performance bond, fidelity insurance, property all risk insurance, fire and allied perils, industrial all risk insurance, group health, group life, motor insurance, marine insurance for shipment of inventory (Philcement and UGC) and general comprehensive liability.

XII. DESCRIPTION OF PROPERTIES

The Company and its subsidiaries own and lease several properties for operations and for administrative or office use. On a consolidated basis, the property, plant and equipment of the Group were valued at ₱10.19 billion, ₱9.39 billion and ₱7.93 billion as of March 31, 2021, December 31, 2020 and December 31, 2019, respectively.

Breakdown of these assets is as follows:

Property, Plant and Equipment (in ₱ '000s)	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Land	2,967,593	2,967,593	2,390,271
Plant site improvements	3,223,169	2,206,926	186,872
Buildings and improvements	3,983,052	3,703,129	3,394,995
Machinery and equipment	2,154,279	2,150,869	1,891,691
Transportation and other equipment	556,373	525,105	507,983
	12,884,466	11,553,622	8,371,812
Less: Accumulated depreciation	3,351,812	3,226,165	2,857,825
	9,532,654	8,327,457	5,513,987
Construction in progress	655,819	1,063,297	2,415,332
Net Book Value	10,188,473	9,390,754	7,929,319

Construction in progress mainly pertains to the construction of cement terminal facility in Mariveles, Bataan which started in August 2018. This project was completed in January 2020. This was financed by Philcement's long-term debt from Security Bank Corporation.

Other outstanding construction in progress pertains to construction costs for various buildings and hospital renovations which are expected to be completed in 2022.

As disclosed in the March 31, 2021 unaudited interim condensed consolidated financial statements of the Company, certain assets with aggregate amount of ₱5.18 billion and ₱4.07 billion as at March 31, 2021 and December 31, 2020, respectively, are used as collaterals for their respective long-term debts obtained from local banks as follows:

Subsidiary	Collateral
AU	Land and land improvements in the main campus
COC	Land in the main campus
UI, UPang	Land and land improvements
Philcement	Assignment of leasehold rights on the land where the cement terminal is constructed, registration of real estate or chattel mortgage on cement terminal building, equipment and other assets, and assignment of port ownership, right to land lease and rights to foreshore lease
UGC	Land, plant site improvements, building and installations and machinery and equipment
PSHC	Land

PHINMA Education's loan agreement with CBC is covered by a negative pledge on the shares of stocks held by PHINMA Education with AU, COC, UPang, UI and SWU.

The Company has no intention to acquire material properties in the next twelve (12) months.

The following table summarizes the Group's principal properties as of March 31, 2021:

Description	Area (sqm)	Location	Use	Mortgages
PHINMA				
Land	1,168.33	Silang, Cavite	Residential	No encumbrances

Description	Area (sqm)	Location	Use	Mortgages
Land	40,367.00	Calaca, Batangas	Investment property	No encumbrances
Land	99,867.36	San Fernando, La Union	Investment property	No encumbrances
Land	50,005.00	Samal Island, Davao Del Norte	Investment property	No encumbrances
Buildings and improvements	1,781.19	Makati City, Metro Manila	Office space and parking lots	No encumbrances
Buildings and improvements	96.00	Silang, Cavite	Residential	No encumbrances
Buildings and improvements	1,316.00	San Fernando, La Union	Office space	No encumbrances
UGC				
Land, plant and equipment	46,175.00	Calamba City, Laguna	Plant operations and office	Encumbered
Land, plant and equipment	15,858.00	Davao City, Davao del Sur	Plant operations and office	Encumbered
Lease improvements, machinery and equipment	1,700.00	Calasiao, Pangasinan	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	1,416.00	Sta. Rosa, Nueva Ecija	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	5,000.00	San Fernando, Pampanga	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	336.00	Villasis, Pangasinan	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	600.00	Santiago City, Isabela	Warehousing operations	No encumbrances
Lease improvements, machinery and equipment	272.00	Bantay, Ilocos Sur	Warehousing operations	No encumbrances
Lease improvements, machinery and equipment	1,200.00	Batangas City, Batangas	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	1,200.00	Cainta, Rizal	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	1,128.00	Pili, Camarines Sur	Roll forming operations	No encumbrances

Description	Area (sqm)	Location	Use	Mortgages
Lease improvements, machinery and equipment	1,050.00	Lucena City, Quezon	Warehousing operations	No encumbrances
Lease improvements, machinery and equipment	1,626.00	Bacolod City, Negros Occidental	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	3,981.00	Cebu City, Cebu	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	1,090.00	Tacloban City, Leyte	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	1,200.00	Iloilo City, Iloilo	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	1,187.00	Butuan City, Agusan del Norte	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	618.00	General Santos City, South Cotabato	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	2,100.00	Cagayan de Oro City, Misamis Oriental	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	600.00	Ozamis City, Misamis Occidental	Roll forming operations	No encumbrances
Lease improvements, machinery and equipment	815.00	Zamboanga City, Zamboanga de Sur	Roll forming operations	No encumbrances
Condominium unit	22.50	Las Pinas City, Metro Manila	Investment property	No encumbrances
Condominium unit	26.19	Pasay City, Metro Manila	Investment property	No encumbrances
Residential lot	1,632.00	Davao City, Davao del Sur	Investment property	No encumbrances
Residential lot	701.00	Isulan, Sultan Kudarat	Investment property	No encumbrances
Philcement				
Plant site improvements	19,882.00	Mariveles, Bataan	Cement terminal facility	Encumbered
Education				
Land, building and improvements	2,972.00	Cubao, Quezon City	Educational	No encumbrances

Description	Area (sqm)	Location	Use	Mortgages
Buildings and improvements	2,322.43	Sampaloc, Metro Manila	Educational	No encumbrances
Land, building and improvements	19,538.00	Calamba, Laguna	Educational	No encumbrances
Land	39,769.00	Cabanatuan City, Nueva Ecija	Educational and residential	Encumbered
Land	1,937.00	San Jose City, Nueva Ecija	Educational	Encumbered
Buildings and improvements	20,731.13	Cabanatuan City, Nueva Ecija	Educational and commercial	Encumbered
Building and improvements	1,937.00	San Jose City, Nueva Ecija	Educational	Encumbered
Land, buildings and improvements	18,644.00	Dagupan City, Pangasinan	Educational	Encumbered
Land, buildings and improvements	2,065.00	Urdaneta City, Pangasinan	Educational	Encumbered
Land, buildings and improvements	61,887.00	Cebu City, Cebu	Educational, hospital and commercial	No encumbrances
Land	18,419.00	Cebu City, Cebu	Commercial and residential	No encumbrances
Land	2,276,763.00	Danao, Cebu	Agricultural	No encumbrances
Land	1,124.00	Talisay City, Cebu	Residential	No encumbrances
Land	11,749.00	Iloilo City, Iloilo	Commercial	Encumbered
Land, buildings and improvements	6,405.00	Cagayan de Oro City, Misamis Oriental	Educational	Encumbered
API				
Condominium unit	232.12	Makati City, Metro Manila	Office space	No encumbrances
PSHC				
Land	437,037.80	Calumpit, Bulacan	Industrial	Encumbered

PHINMA Solar owns the following Solar Photovoltaic Rooftop System as of December 31, 2020:

Kilowatt Peak	Location	Use	Mortgages
628.56	Naic, Cavite	Sale of electricity	No encumbrances
570.24	GMA, Cavite	Sale of electricity	No encumbrances
401.76	Calamba, Laguna	Sale of electricity	No encumbrances
385.44	Santa Rosa, Laguna	Sale of electricity	No encumbrances
360.06	Imus, Cavite	Sale of electricity	No encumbrances
233.28	Imus, Cavite	Sale of electricity	No encumbrances
220.32	Tugbok, Davao del Sur	Sale of electricity	No encumbrances
201.69	Antipolo, Rizal	Sale of electricity	No encumbrances
102.79	San Pablo City, Laguna	Sale of electricity	No encumbrances
91.00	San Fernando, La Union	Sale of electricity	No encumbrances
87.36	Dagupan City, Pangasinan	Sale of electricity	No encumbrances
83.84	Cagayan de Oro City, Misamis Oriental	Sale of electricity	No encumbrances
75.24	San Fernando, La Union	Sale of electricity	No encumbrances
58.32	General Trias Cavite	Sale of electricity	No encumbrances
53.46	Silang, Cavite	Sale of electricity	No encumbrances
52.65	General Santos City, South Cotabato	Sale of electricity	No encumbrances

Kilowatt Peak	Location	Use	Mortgages
35.31	San Fernando, Pampanga	Sale of electricity	No encumbrances
32.81	Cainta, Rizal	Sale of electricity	No encumbrances
27.54	Bacoor, Cavite	Sale of electricity	No encumbrances
20.79	Quezon City, Metro Manila	Sale of electricity	No encumbrances
18.23	Taguig City, Metro Manila	Sale of electricity	No encumbrances
14.52	Malvar, Batangas	Sale of electricity	No encumbrances
9.72	Mabalacat, Pampanga	Sale of electricity	No encumbrances

Lease Agreements (As Lessee)

The Company, UGC, and schools also enter into lease agreements or other arrangements with various persons and entities for use in operations and office space.

PHINMA leases a portion of its office space which have a term of one (1) year, renewable at the option of the lessor at such terms and conditions to be mutually agreed by the parties.

Construction Materials Group

UGC entered into lease agreements covering its rollforming plants and warehouses, which have terms ranging from one (1) to twenty-five (25) years, renewable subject to mutual agreement of UGC and the lessor under certain terms and conditions.

Education Group

PHINMA Education has entered into lease agreements to occupy a staff house, office and parking lots, and drinking fountains, which have terms ranging from six months to one (1) year, renewable subject to mutual agreement of the PHINMA Education and the lessors under certain terms and conditions.

On April 1, 2019, PHINMA UPang College Urdaneta, Inc. (PUCUI), a wholly-owned subsidiary of PHINMA UPang, entered into a lease contract to occupy a four story building to be used exclusively for educational or school purposes for a period of five years. The lease agreement can be renewed subject to mutual agreement and can be terminated at the option of PUCUI on the third and fifth year of the lease.

Lease Agreements (As Lessor)

The Group's investment properties for lease are largely buildings, lots, and properties. For the year ended December 31, 2020, rental income from these properties amounted to ₱74.03 million.

The Company, as a lessor of its investment property portfolio, has entered into various lease agreements with lease period ranging from one (1) to five (5) years and with renewal options.

Education Group

SWU has entered into a 25-year lease agreement for its approximately 11,353 square meters land. Monthly rental is at ₱70.00 peso per square meter, subject to a 5.00% escalation rate beginning on the third year from the commencement of the lease. In addition, the lessee paid twenty-four months advance rental payment or ₱19.10 million, upon the execution of the lease contract. The advance rental payments were applied to the first twenty-four months of the lease term.

SWU entered into another lease contract for its investment properties. The lease term is five years with two months rent-free period. Monthly rental is ₱70,000.00, subject to a 5.00% rent escalation beginning on the third year of the commencement of the lease.

The Schools entered into operating leases on some of its properties, particularly portions of its buildings for the operation of cell sites, canteens, food stands and convenience stores within its premises. These have remaining terms ranging from less than a year to ten years as at March 31, 2021. The leases include upward revisions or escalation clauses on the rental charge on an annual basis according to prevailing market conditions and are renewable subject to mutual agreement of the Schools and the lessees under certain terms and conditions.

Properties and Hospitality Group

API leases its condominium unit in Rufino Pacific Tower. The lease term is three years rental rate of ₱570.00 per square meter, subject to 5.00% escalation beginning on the second year of the contract.

PSHC has an operating lease arrangement on its investment property with UPPC for a period of fifty (50) years, renewable for another twenty-five (25) years. Annual rent revenue was initially fixed at ₱14.60 million, exclusive of amortization of deferred rent revenue from lease deposit. On August 2, 2006, the parties amended the lease agreement to increase the annual rent payment to ₱19.20 million effective January 1, 2006. On October 1, 2019, PSHC entered into a new lease agreement with UPPC for a period of fifty (50) years, renewable for another twenty-five (25) years. Annual rent revenue is fixed at ₱870,000.00.

Please see below the summary of the lease agreements, in table format:

1. PHINMA

LESSOR	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. PHINMA, Inc.	Makati City	31 August 2021	116.73 per month	Renewable at the option of the lessor at such terms and conditions to be mutually agreed by the parties

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
2. Philippine Investment-Management (PHINMA), Inc.	Makati City	31 December 2021	473.86 per month	Renewable at the option of the lessor at such terms and conditions to be mutually agreed by the parties
3. T-O Insurance Brokers, Inc.	Makati City	31 December 2021	20.91 per month	Renewable at the option of the lessor at such terms and conditions to be mutually agreed by the parties
4. Rodolfo S. Flores	San Fernando, La Union	31 December 2021	5.00 per month	None
5. Jay Pot Junk Shop	San Fernando, La Union	31 December 2021	8.60 per month	None
6. Noy-San Junkshop	San Fernando, La Union	31 December 2021	4.00 per month	None
7. Virgilio Rivera	San Fernando, La Union	31 December 2021	5.00 per month	None

2. UGC

LESSOR	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. Progress Development Corporation	Bacolod City	31 October 2035	179.20 per month with 11.20 annual increase starting on the second year until the fifth year. Starting on the sixth year, subject to agreement of parties every five years until end of lease term	None
2. Solid North Mktg. Corp.	Bantay, Ilocos Sur	15 December 2021	8.81 per month	Renewal subject to terms and conditions as mutually agreed upon by the parties
3. Solid North Mktg. Corp.	Bantay, Ilocos Sur	15 June 2022	49.52 per month	Renewal subject to terms and conditions as mutually agreed upon by the parties
4. Trevor Eton Realty Corporation	Pili, Camarines Sur	30 September 2024	30.80 per month	None
5. Trevor Eton Realty Corporation	Pili, Camarines Sur	30 September 2024	121.97 per month	None
6. Sandalford Estates Development Corporation	Cainta, Rizal	31 July 2021	215.40 per month	None
7. Eugenio Faller	Sta. Rosa, Nueva Ecija	28 February 2022	13.00 per month	None
8. Ma. Loreto L. Angeles-Canlas, et al.	San Fernando, Pampanga	31 October 2040	140.00 per month with 5% annual escalation starting on the third year	Renewal at the option of the lessee for such period as may be mutually agreed upon, subject to the terms and conditions substantially similar to the terms and conditions of contract of lease, but subject to a minimum cumulative increase in rent at a fixed rate of 5% per annum.
9. Dave V. Datuin	Calasiao, Pangasinan	30 November 2033	68.00 per month with 1.70 annual escalation starting on the second year	Renewable for another period subject to the terms and conditions as may be mutually agreed upon by the parties

LESSOR	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
10. Johnson Tan Manez	Calasiao, Pangasinan	31 October 2022 (pending renewal)	14.00 per month	None
11. Jocelyn E. Florece	Villasis, Pangasinan	1 May 2026	56.61 per month with 4% annual increase starting on the second year	Renewal at the option of the lessee for such period as may be mutually agreed upon, subject to the terms and conditions substantially similar to the terms and conditions of contract of lease. The base rate shall be the lease rate on the last year of the preceding lease contract subject to a fixed rate of 3.50% per annum
12. Olma Realty	Santiago City, Isabela	31 December 2024	66.81 per month with 10% increase starting on the third year	None
13. Andres Merlin Bernardo	Sta. Rosa, Nueva Ecija	31 December 2028	120.00 per month with 5% annual increase on the second year until the fourth year and after every two years from then on	None
14. BTY & Sons Development Corp.	General Santos City	31 December 2021	61.95 per month	None
15. PHINMA	Poro, La Union	31 December 2021	112.00 per month	Renewable at the option of the lessor at such terms and conditions to be mutually agreed by the parties
16. Tonia C. Smith/ Gilton C. Smith	La Trinidad, Benguet	30 September 2022	23.00 per month	Subject to renewal for such periods under terms and conditions to be mutually agreed upon by the parties
17. Butuan Premier Distribution, Inc.	Butuan City	31 December 2033	128.40 per month with 5% increase on the fourth year of the lease and after every two years from then on	Subject to renegotiation upon expiration

LESSOR	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
18. Patrick W. Chua	Cagayan de Oro City	30 June 2025	72.80 per month	Subject to renewal under such terms and condition as may be mutually agreed upon by both parties
19. Gen. Santos New Castle Development Corporation	General Santos City	14 April 2022	28.05 per month with 10% annual escalation	Maybe renewed for the same period upon agreement of both parties
20. Lim Ho Chuan Sheng Enterprises	Ozamis City	16 October 2021	16.80 per month with 5% annual escalation and 2.24 per month on extra space occupied	Maybe renewed under such terms and conditions as may be mutually agreed upon by both parties
21. Rogelo Roque	Valencia City, Bukidnon	30 June 2021 (renewal of lease on-going)	11.82 per month with 5% annual escalation and 2.24 per month on extra space occupied	Maybe renewed under such terms and conditions as may be mutually agreed upon by both parties
22. Phillip W. Chua	Cagayan de Oro City	31 October 2025	111.50 per month with 5% yearly increase	None
23. Evangeline Yap Sy	Consolacion, Cebu	31 December 2027	112.00 per month with 5% annual escalation starting on the third year	Lessee has the option to extend to be agreed upon by the parties
24. Amazon Prop. & Dev. Corp.	Iloilo City	31 March 2022	147.84 per month with 5% annual escalation starting on the third year	Subject to renegotiation and agreement between the parties as to terms and conditions of the lease, particularly, the amount of lease rental per year
25. Leyte Sr. Development Corporation	Tacloban City	1 April 2024	115.00 per month	Renewable upon mutual agreement of the parties
26. Gerry Casiano	San Nicolas, Ilocos Norte	30 April 2022	60.00 per month	Subject to renewal for such periods under terms and conditions to be mutually agreed upon by the parties

3. Philcement

LESSOR	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. Bataan-Baseco Joint Venture, Inc.	Mariveles, Bataan	24 July 2045	289.48 per month with 3% annual escalation	Renewable for another 25 years under terms and conditions mutually acceptable to the parties
2. Herma Port Terminals Corp.	Mariveles, Bataan	31 December 2021	378.00 per month	Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties
3. Herma Port Terminals Corp.	Mariveles, Bataan	30 April 2022	378.00 per month	Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties
4. Rosita M. Santiago	Mariveles, Bataan	30 June 2021 (renewal of lease on-going)	110.00 per month	May be renewed under such terms and conditions as may be mutually agreed upon by both parties

4. Asian Plaza, Inc.

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. Stock Transfer Service, Inc.	Makati City	31 December 2023	171.58 per month with 5% increase beginning on the second year thereafter and 5.60 per month for parking units	Lessor may allow the lessee to extend the lease of the leased premises for a maximum of another three (3) years under such terms and conditions as may be mutually agreed upon by the parties

5. PSHC

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. UPPC	Calumpit Bulacan	15 July 2053	1,792.00 per month subject to 10% increase every five years	Renewable for another twenty five years upon the

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
				mutual agreement of the parties
2. UPPC	Calumpit Bulacan	1 January 2070	80.64 per month	Renewable for another twenty five years upon the mutual agreement of the parties

6. COC

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. Leslie Corporation	Cagayan de Oro City	16 March 2023	15.12 per month with 10% annual escalation	Renewable subject to recommendation of lessor
2. Philippine Seven Corporation	Cagayan de Oro City	July 2025	65.52 per year with 5% annual escalation	Renewable at the option of the lessee unless sooner terminated or extended. Lessee shall notify the lessor of its intention to renew within 90 days prior to the expiration of the term

7. SJCI

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. Robinsons Convenience Stores, Inc.	Sampaloc, Manila	19 October 2023	89.38 per month with 5% annual increase starting on the third year	Renewable upon mutual agreement of the parties on such terms and conditions acceptable to both parties
2. Globe Telecom, Inc.	Sampaloc, Manila	14 November 2022	131.55 per month with 5% annual escalation beginning 15 November 2018	Renewable on such terms and conditions mutually acceptable to both parties by giving written notice at least 60 days prior to the expiration of the agreement
3. Call and Order Flower Shop	Sampaloc, Manila	8 October 2025	44.51 per month with escalation of 6% on the 3 rd to 6 th year	Renewable on such terms and conditions mutually acceptable to both parties by giving written notice at least 60 days prior to the expiration of the agreement

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
4. Paragua Pawnshop and Financial Services Inc.	Sampaloc, Manila	31 October 2025	22.26 per month with escalation of 6% on the 3 rd to 6 th year	Renewable on such terms and conditions mutually acceptable to both parties by giving written notice at least 60 days prior to the expiration of the agreement

8. SWU

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. Philippine Seven Corporation	Cebu City	May 2023	78.40 per month with 5% annual escalation starting on the third year	Renewable at the option of the lessee unless sooner terminated or extended. Lessee shall notify the lessor of its intention to renew within 90 days prior to the expiration of the term
2. Rustan Supercenters, Inc.	Cebu City	16 June 2036	890.08 per month with 5% annual escalation beginning on the third year	Lessee shall have the right to request the extension of the lease for another term of 5 years by notifying the lessor in writing of its desire to extend the contract within 5 years prior to the expiration of the current lease period

9. UI

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. Philippine Seven Corporation	Iloilo City	17 November 2024	75.60 per month with 5% annual escalation beginning on the third year	Renewable for another 5 years upon mutual agreement in writing and subject to an escalation cost and under the terms and conditions acceptable to both parties and agreed upon

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
2. China Bank Corporation	Iloilo City	18 February 2024	N/A ²⁰	May be renewed for periods of 3 years each, upon written notice given by either party to the other party 30 days prior to the expiration of the term
3. Dragonpearl Teashop and Dumpling House	Iloilo City	November 2021	26.49 per month with 5% annual escalation beginning on the second year	Renewable for another period subject to a 5% escalation cost starting on the 2 nd year and under the terms and conditions acceptable to both parties and agreed upon
4. LBC Express Inc.	Iloilo City	16 November 2024	26.49 per month with 5% annual escalation beginning on the third year	Renewable for another 5 years upon mutual agreement and the writing and subject to an escalation cost and under the term and conditions acceptable to both parties and agreed upon
5. Michel J. Lhuillier Pawnshops Inc.	Iloilo City	May 31, 2026	19.60 per month with 5% annual escalation beginning on the second year	Renewable for another period under the terms and conditions acceptable to both parties and agreed upon

10. PUCUI

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. BDO Unibank, Inc.	Urdaneta City, Pangasinan	28 February 2029	112.00 per month with 3% annual escalation starting on the third year	None
2. First Ilocandia Cable Television, Inc.	Urdaneta City, Pangasinan	30 August 2021	39.37 per month	May be renewed yearly upon such terms and conditions

²⁰Lease payment is not collected under the Contract of Usufruct between UI as Grantor and China Banking Corporation as Usufructuary. The subject of the contract is the Usufructuary's automated teller machine (ATM) located beside the entrance gate of UI. China Banking Corporation is allowed free use of the space, in exchange, the students, members of faculty, and employees of UI have easy access to an ATM.

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
				as may be mutually agreed to by the parties, provided the lessee notifies the lessor of its intention to renew the lease at least 30 days prior to the expiration of the contract

11. UPang

LESSOR	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
3. Nelia A. De Leon	Urdaneta City, Pangasinan	31 March 2024	200.00 per month with 10% annual escalation starting on the third year	Renewable upon mutual agreement of the parties

LESSEE	LOCATION	EXPIRY DATE	LEASE PAYMENT (in ₱ '000s)	RENEWAL OPTIONS
1. Captain Prints Enterprises	Dagupan City, Pangasinan	20 June 2021 (renewal of lease on-going)	25.34 per month	May be renewed under such terms and conditions as may be mutually agreed upon by both parties, written notice of intention to renew the lease shall be served to the lessor not later than 10 days prior to the expiry date of the period herein agreed upon
2. Golden Arches Development Corporation	Dagupan City, Pangasinan	August 2028	Minimum guaranteed rent of 180.00 per month or percentage rent based on gross product sale, whichever is higher. Minimum guaranteed rent is subject to 5% annual escalation beginning on the sixth year	Renewable for another 15 years upon the mutual agreement of the parties, provided that the lessee informs lessor of its intent to renew the lease at least 120 days prior to the lease expiry date

XIII. CERTAIN LEGAL PROCEEDINGS

As of March 31, 2021, PHINMA, its subsidiaries and affiliates, are not involved in any litigation or legal proceeding which may be considered material, or which any of the Group's material properties are subject, except for the following:

Cohaco Merchandising & Development Corp., Fortem Cement Corporation, NGC Land Corp., Pabaza Import and Export Inc., and Philcement vs. Secretary of Trade And Industry, Secretary of Finance, Commissioner Of Customs, And Chairman of The Tariff Commission (Court of Tax Appeals Case No. 10185)

On October 11, 2019, Philcement, a subsidiary of the Company, together with other cement importers, Cohaco Merchandising & Development Corp., Fortem Cement Corporation, NGC Land Corp., Pabaza Import and Export Inc., filed a Petition for Review with the Court of Tax Appeals praying for the reversal and nullification of the decision of the Secretary of the Department of Trade and Industry ("DTI") dated 27 August 2019, or DTI Department Administrative Order ("DAO") No. 19-13, safeguard duties (the "Duties) on imported cement classified. Said petitioners also seek a declaration that they are not liable for payment of said Duties and a refund of the Duties already paid. They principally assert that their importations cause no serious injury or threat of serious injury to the domestic cement industry. Further, consistent with the position of the Philippine Competition Commission, the imposition of the Duties would weaken competitive pressure and endanger the realization of huge benefits that a competitive landscape in the cement industry would bring. The said petition remains pending before the CTA.

XIV. MARKET PRICE OF AND DIVIDENDS ON PHINMA'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

CAPITALIZATION

As of March 31, 2021, the authorized capital stock of the Issuer was at ₱5.20 billion divided into 420.00 million common shares and 100.00 million cumulative, non-participating preferred shares. Both common and preferred shares have a par value of ₱10.00 per share.

Its issued capital stock was at ₱2.86 billion consisting of 286.34 million common shares of ₱10.00 par value each.

MARKET INFORMATION

The Company's common shares were listed on the PSE under the symbol "PHINMA" on August 18, 1958. On June 30, 2021, the closing price of the Company's common shares was ₱13.48 with a market capitalization of ₱3.67 billion.

The high and low prices of the common shares for each quarter of the last three (3) fiscal years, and the first two (2) quarters of 2021, are indicated in the table below.

	Low	High
2018		
January 1, 2018 to March 31, 2018	7.50	8.50
April 1, 2018 to June 30, 2018	7.50	8.20
July 1, 2018 to September 30, 2018	7.50	8.90
October 1, 2018 to December 31, 2018	7.80	9.49
2019		
January 1, 2019 to March 31, 2019	8.23	9.98
April 1, 2019 to June 30, 2019	9.00	9.50
July 1, 2019 to September 30, 2019	8.23	13.74
October 1, 2019 to December 31, 2019	9.11	10.20
2020		
January 1, 2020 to March 31, 2020	8.02	10.06
April 1, 2020 to June 30, 2020	8.25	9.00
July 1, 2020 to September 30, 2020	8.49	9.10
October 1, 2020 to December 31, 2020	8.12	10.00
2021		
January 1, 2021 to March 31, 2021	9.45	12.40
April 1, 2021 to June 30, 2021	11.96	13.48

Source: S&P Capital IQ

PRINCIPAL SHAREHOLDERS

The following table sets forth the Company's Top 20 common shareholders and their corresponding number of shares held as of June 30, 2021.

	Shareholders	No. of Shares	% of Ownership
1	PCD Nominee Corporation (Filipino)	124,435,960	45.70%
2	Philippine Investment Management, Inc. (PHINMA, Inc.)	97,903,395	35.96%
3	PCD Nominee Corporation (Non-Filipino)	14,087,466	5.17%
4	Magdaleno B. Albarracin, Jr. &/OR Trinidad Albarracin	9,535,459	3.50%
5	Philippine Remnants Co.	1,176,308	0.43%
6	Allen Cham	782,896	0.29%
7	Salud D. De Castro	550,000	0.20%
8	Kayumanggi Publishers Co.	517,762	0.19%
9	Victor Juan Del Rosario	439,356	0.16%
10	Emerick Jefferson Sy Go &/or Girlie Ng Go	211,970	0.08%
11	Doris Teresa Ho	185,461	0.07%
12	Virginia S. Syjuco	178,204	0.07%
13	Daughters of Charity of St. Vincent de Paul	175,533	0.06%
14	The Roman Catholic Bishop of the Diocese of Juan de Dios	169,268	0.06%
15	United Life Assurance Corporation	153,916	0.06%
16	Regina B. Alvarez	153,413	0.06%
17	United Insurance Co. Inc.	149,860	0.06%
18	Rosalia M. Amando	142,632	0.05%
19	Blanquita S. Gonzalez	141,051	0.05%
20	Chin Kok Sy	137,895	0.05%
	Total	251,227,805	92.27%

As of June 30, 2021, the Company has 272,279,565 common shares outstanding held by 1,226 shareholders.

DIVIDENDS AND DIVIDEND POLICY

The Company and its subsidiaries do not have a formal and stated dividend policy. However, as set forth below, the Group has consistently declared and paid dividends without any other restriction other than the availability of retained earnings following the SEC rule on calculation of available retained earnings for dividend declaration and after appropriations for investment and other requirements.

The Company and its subsidiaries declare cash or stock dividends to its common shareholders on a regular basis, in amounts determined by the Board, taking into consideration the Company's results of operations, cash position, investment and capital expenditures requirements, loan covenants, and unrestricted retained earnings. The Company may also declare special cash dividends where appropriate.

Dividends declared and paid by the Company in 2010 up to YTD 2021 are as follows:

Declaration	Type	Rate	Payment Date
March 3, 2010	Cash	₱0.40 per share	April 23, 2010
March 3, 2011	Cash	₱0.40 per share	April 26, 2011
March 22, 2012	Cash	₱0.40 per share	April 26, 2012
March 6, 2013	Cash	₱0.40 per share	April 17, 2013
March 4, 2014	Cash	₱0.40 per share	April 15, 2014
March 4, 2015	Cash	₱0.40 per share	March 31, 2015

Declaration	Type	Rate	Payment Date
March 4, 2016	Cash	₱0.40 per share	March 31, 2016
March 22, 2017	Cash	₱0.40 per share	April 21, 2017
March 6, 2018	Cash	₱0.40 per share	April 6, 2018
March 5, 2019	Cash	₱0.40 per share	March 29, 2019
November 11, 2019	Cash	₱0.40 per share	December 9, 2019
February 28, 2020	Cash	₱0.40 per share	March 27, 2020
March 2, 2021	Cash	₱0.40 per share	May 5, 2021

The cash dividends declared and paid by the Company's subsidiaries from 2018 to 2020 are as follows:

UGC

Declaration	Type	Rate	Payment Date
December 17, 2020	Cash	₱2.30 per share	June 30, 2021 March 31, 2021 December 28, 2020
November 5, 2019	Cash	₱0.66 per share	December 15, 2019
August 9, 2019	Cash	₱0.66 per share	September 15, 2019
March 5, 2019	Cash	₱1.33 per share	April 15, 2019
August 10, 2018	Cash	₱1.85 per share	December 20, 2018 August 31, 2018

Philcement

Declaration	Type	Rate	Payment Date
December 15, 2020	Cash	₱5.33 per share	December 1, 2021

PHINMA Education

Declaration	Type	Rate	Payment Date
September 15, 2020	Cash	₱7.00 per share	May 28, 2021 December 15, 2020
August 15, 2019	Cash	₱6.90 per share	March 11, 2020 January 8, 2020
June 27, 2019	Cash	₱5.90 per share	October 15, 2019
June 28, 2018	Cash	₱38.60 per share	March 15, 2019 January 15, 2019

API

Declaration	Type	Rate	Payment Date
November 5, 2020	Cash	₱24.50 per share	December 7, 2020

As of the date of this Prospectus, none of the Company's subsidiaries have declared any kind of dividends for the year 2021.

SALE OF UNREGISTERED OR EXEMPT SECURITIES

The Company has not sold unregistered or exempt securities, nor has it issued securities constituting an exempt transaction within the past three (3) years.

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

The following discussion of the Company's recent financial results should be read in conjunction with the auditors' reports and the Company's consolidated financial statements and notes thereto contained in this Prospectus and the section entitled "Summary of Financial Information". 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 Other Considerations" and elsewhere in this Prospectus.

1. PLAN OF OPERATION

In terms of liquidity, the Company made sure that cash is available to support the continued operations of the various business units. The Company also made sure that working capital lines are available with banks, which the business units may access when needed. At the holding company level, any excess cash is invested in liquid assets. The Group was also able to service its debts as they fell due. The Company remains capable of servicing its debt obligations as they fall due.

The Group does not have any product research and development expected in the next twelve (12) months.

PHINMA Education plans to raise debt to fund expansion of school facilities of about ₱2.00 billion over the next two (2) years plus refinancing of existing term loans to reduce interest rates via public issue bonds or privately placed corporate notes. There are also plans to raise funds for expansion in Construction Materials Group that may be launched in 2022, which are currently under studies.

The Company is currently reviewing its manpower complement but does not expect a substantial change in the workforce in the next twelve (12) months.

The Company believes there are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations other than those described in the section on "Risk Factors and Other Considerations".

2. RESULTS OF OPERATIONS

For the three-month period ended March 31, 2021, consolidated net income of PHINMA stood at ₱528.99 million, an increase of 64.22% from ₱322.12 million over the same period in 2020. Consolidated revenues grew to ₱3.88 billion from ₱3.07 billion during the same period last year.

During the period, the Company booked net foreign exchange gains of ₱29.92 million on dollar-denominated assets, largely earmarked for dollar-denominated investments of the parent company.

Consolidated net income attributable to equity holders of the parent amounted to ₱303.55 million for the first three months of 2021, an increase of 76.71% over the same period in 2020.

PHINMA ended the period with cash and cash equivalents of ₱2.87 billion. As of March 31, 2021, consolidated total assets and total stockholders' equity of PHINMA amounted to ₱25.65 billion and ₱8.90 billion, respectively.

The following discussion describes the performance of PHINMA's strategic business units for the first quarter of 2021 and 2020:

Construction Materials Group

The Construction Materials Group (CMG), UGC, Philcement and PHINMA Solar, posted consolidated revenues of ₱2.97 billion for the first quarter of 2021, up from ₱2.23 billion for the same period last year. The first quarter 2021 was a challenging quarter for UGC due to the impact of DTI's Department Administrative Order on the technical regulation for the mandatory certification of hot-dip metallic-coated and pre-painted galvanized iron (GI)

coils and sheets for roofing and general applications. Net income of CMG for the period nevertheless grew to ₱303.27 million from ₱150.43 million previously.

Education Group

For the three months ended March 31, 2021, PHINMA Education registered consolidated revenues of ₱895.41 million, an 8.58% increase compared to ₱824.63 million for the same period last year due to an additional college cohort and the late start of classes which compressed the schedule and revenue for school year 2021. As a result, PHINMA Education net income increased to ₱271.55 million for the first three months of 2021 from ₱247.47 million for the first quarter of the previous year.

Properties Group

In PPHC, total revenue for the first quarter of 2021 was higher by 31.43% compared to actual revenue for the same period last year primarily due to higher volume of units sold. Gross profit margin improved to 46.01% from 45.41% in the first quarter of 2020 due to higher selling prices and minimal cost of sales growth. Net loss stood at ₱16.75 million which is lower than the loss of ₱26.38 million in the first quarter of 2020. PHINMA equitized a net loss of ₱6.23 million in PPHC during the quarter.

Hospitality Group

Coral Way felt the impact of the pandemic for three months from January to March 2021, compared to the impact last year of only a half month starting mid-March 2020. PHINMA equitized a net loss of ₱2.37 million during the period. EBITDA and cashflow from operations nevertheless remained positive on the back of strong quarantine bookings from the Overseas Workers Welfare Administration and various shipping companies.

Below are the material changes in income statement accounts:

Revenues

The ₱805.96 million increase in the account is mainly due to an increase in sales of Philcement in the first quarter of 2021.

Cost of sales

The ₱685.95 million increase in the account represents increase in cost of sales of Philcement due to higher volume of sales and higher material costs for UGC resulting from adjustments in material specifications.

Cost of educational, installation, hospital and consultancy services

The decrease of ₱93.15 million in the account represents decrease in cost of sales of the schools particularly UI and SWU.

General and administrative expenses

The ₱17.83 million increase in the account represents increase in operating expenses of Philcement.

Selling expenses

The ₱4.53 million decrease in the account represents a decrease in selling expenses of UGC.

Interest expense and other financing charges

The decrease in interest expense and other financing charges in the amount of ₱7.51 million are attributable to the schools

Equity in net earnings (losses) of associates and joint ventures

PHINMA equitized a lower net loss of ₱6.23 million in PPHC compared to the same period last year, due to higher units sold and an improvement in gross profit margins. Equitized net loss in Coral Way amounted to ₱2.37 million.

Foreign exchange gains (losses) – net

The increase in net foreign exchange gain of ₱20.40 million arose from the restatement of dollar denominated assets, largely earmarked for dollar-denominated investment of the parent company and restated at an exchange rate of ₱48.53:\$1:00 and ₱50.68:\$1.00 as at March 31, 2021 and March 31, 2020, respectively.

Gain on pre-termination of long-term lease

The gain on pre-termination of long-term lease in the amount of ₱6.54 million is attributable to the pre-termination of Philcement contract with Seasia Nectar Port Services, Inc. last March 1, 2020.

Loss on derivatives

For the first quarter of 2021, Philcement booked a loss on derivatives in the amount of ₱0.57 million on derivative forward contract.

Others – net

The miscellaneous income during the first quarter of 2020 is largely due to lower pension liability arising from the realignment of pension policy across the schools.

Provision for (benefit from) income tax

The lower provision for income tax is attributable to the reduction in tax rate of CMG from 30% to 25% as a result of the CREATE law, offset by an increase in provision for deferred tax assets of the schools.

2020 vs. 2019

In 2020, the Group saw consolidated revenue growth of 8.63%, posting consolidated revenues of ₱12.30 billion for the year. Income from operations of the Group increased by 25.95% to ₱1.35 billion during the year.

Consolidated net income of the Group increased to ₱521.94 million in 2020 from ₱437.12 million in the previous year while net income attributable to shareholders of the parent was ₱172.64 million in 2020.

Construction Materials Group

Despite the early weakness in flat steel demand, UGC managed to deliver strong operational performance and posted a significant recovery by year end. UGC achieved positive annual results as the company enhanced customer engagement initiatives and operational efficiencies in production and logistics. UGC also, together with a foreign partner, began a study on an expansion of its PU line to supply insulated panels for the cold chain industry. A robust cold chain industry addresses the issue of food security and provides part of the logistics needed for a nationwide vaccine rollout.

Philcement posted significant gains in 2020, backed by the efficient operation of the new Mariveles Cement Facility which was launched in January. The company also leveraged on strong customer partnerships and increased reliability and availability of its legacy Union Cement brand in key areas.

Despite the pandemic, Construction Materials Group finished the year on a strong growth track, with CMG's combined revenues of ₱10.12 billion and combined net income of ₱915.89 million in 2020.

Education Group

PHINMA Education was able to maintain a strong system wide total enrollment of 71,659 students in the Philippines which was a 3.41% decline from previous years. Due to the effect of the pandemic on face-to-face classes as well as the shift in the academic calendar from June to late August which delayed the recognition of some revenues to the following year, PHINMA Education posted a 28.37% decrease in consolidated revenue to ₱2.09 billion for the calendar year 2020. Maintaining profitability, PHINMA Education posted a lower consolidated net income of ₱14.29 million in calendar year 2020 from ₱433.73 million in the previous year.

Properties Group

PPHC posted revenues of ₱1.95 billion in 2020, at the same level as the previous year. Despite the pandemic, sales reservations and revenue-recognition maintained pace through the company's #DontPutHomeownershipOnHold marketing campaign. Consolidated net income for the year amounted to ₱71.87 million.

PPHC's revenues are not consolidated with PHINMA since it is not a subsidiary, but it is accounted for under the equity method. In 2020, PHINMA equitized a net income of ₱6.36 million in PPHC.

Hospitality Group

Equitized earnings from affiliates of the Company hence declined to a loss of ₱6.52 million in 2020.

Microtel by Wyndham Mall of Asia's posted average occupancy of 76.71%, gross revenues of ₱128.02 million, and a net loss of ₱6.53 million. TRYP by Wyndham Mall of Asia on the other hand posted average occupancy of 72.46%, gross revenues of ₱161.40 million, and a net loss of ₱20.92 million. Despite respectable occupancy levels, revenues and profits declined due to caps on room rates for hotels operating as quarantine facilities under the OWWA repatriation program.

Others

On September 18, 2020, PHINMA divested 100.00% of its interest in ICI Asia.

Below are the material changes in income statement accounts:

Revenues

The 8.63% net increase in Group revenue of ₱976.84 million is mainly due to an increase in revenues of Construction Materials Group from the start of operation of the new Mariveles Cement Facility, partially offset by a decrease in revenues of the schools as a result of the COVID-19 quarantine restrictions.

Cost of sales

The ₱1.35 billion net increase in cost of sales represents increase in cost of sales of Construction Materials Group on account of expanded sales.

Cost of educational, installation, hospital and consultancy services

The ₱393.05 million decrease in the account represents a decrease in the school's personnel costs, academic activities, graduation expenses and educational tour expenses.

Operating expenses

The ₱227.10 million drop in general and administrative expenses is mainly due to decrease in the schools' expenses due to the delay in school opening and decline in enrollees.

Interest expense and other financing charges

The increase in the account amounting to ₱162.98 million is due to increase in interest expense of Construction Materials Group.

Equity in net earnings (losses) of associates and joint ventures

The decrease in the account is largely due to equitized loss in affiliate Coral Way in the amount of ₱6.90 million.

Foreign exchange gains (losses) - net

Foreign exchange loss of ₱152.63 million for the year ended December 31, 2020 arose from the restatement of dollar denominated assets, largely earmarked for dollar-denominated investments of the parent company and restated at an exchange rate of ₱48.02 to US\$1.00.

Net losses on derivatives

PHINMA recognized a gain on fair value changes of forward contracts in the total amount of ₱11.07 million in 2019. In 2020, Construction Materials Group booked a loss on derivatives in the amount of ₱7.04 million.

Gain on sale of property, plant and equipment - net

The amount of ₱0.86 million represents the gain on sale of vehicles of Construction Materials Group.

Others – net

Others income increased by ₱23.08 million due to increase in other income of COC and SJC.

Provision for (benefit from) income tax

The decrease in provision for (benefit from) income tax reflects the decrease in taxable income of the subsidiaries during the year.

2019 vs. 2018

In 2019, the Group posted consolidated revenues of ₱11.32 billion, an increase of 14.05% over the previous year due to increased revenue from both Construction Materials Group and PHINMA Education. Income from operations of the Group correspondingly increased 85.56% to ₱1.07 billion.

PHINMA also completed the sale of its energy business in June 2019, allowing the company to focus investments in core businesses such as education and construction materials. As a result, consolidated net income of the Group more than doubled to ₱437.12 million in 2019 from ₱174.82 million in the previous year while net income attributable to shareholders of the parent grew from modest results of ₱25.87 million in 2018 to ₱232.51 million in 2019.

Construction Materials Group

UGC sold almost 10 million equivalent sheets of roofing materials in 2019, about the same level as in 2018, despite stiff market competition and the sluggish performance of public construction. While revenues were almost flat year-on-year, UGC improved its margins through better cost management and rationalization of its supply chain systems and processes. As a result, UGC's revenues was ₱5.53 billion in 2019, with net income up by 2.68% to a new record of ₱275.38 million from ₱268.20 million a year earlier. With its growth trajectory continuing, UGC expects to continue to be one of the industry leaders in the roofing industry.

Philcement continued to grow its market base in 2019, nearly doubling its volumes through a wider market coverage and development of key markets which will be served by its cement facility in Mariveles, Bataan. Despite competitive challenges, existing partnerships with customers and channels have helped bolster the availability of Union Cement nationwide and started building reputation for high quality through its Ultra V 50 (Type I OPC) and Super V 40 (Type IP blended cement) variants. At the end of 2019, Philcement's revenues were up 289.86% to ₱2.69 billion, with a net income of ₱56.82 million.

Education Group

Despite the challenges faced by the private tertiary industry, PHINMA Education once again saw an increase in its freshmen enrollment, posting a 23.69% growth. As of School Year 2019-2020, PHINMA Education enrollment has grown to 74,187 students nationwide. For calendar year 2019, the company achieved revenue of ₱2.93 billion, an increase of 15.97% over the previous fiscal year, while consolidated net income increased by 19.78% to ₱433.73 million. The increased revenue and net income are attributed to overall rise in enrollment due to the strong batch of college freshman in June 2019 from the successful campaign to obtain market share in the schools' respective communities, particularly from students eligible for tertiary education subsidies.

Properties Group

Consolidated net income of PPHC increased by 88.35% to ₱71.82 million as the company continued strategic changes to its business, increasing profitability by improving margins, streamlining operations, and reducing operating costs. The company continued in 2019 its 5-year plan to support growth through new locations outside of Metro Manila as well as new business lines, developing pipeline projects to secure future growth and profitability.

In 2019, PPHC completed construction on 10 buildings, which brings to 105 the total number of affordable housing buildings built by the company since its inception. The company sold a total of 437 units over the year at its Arrezo Place Pasig project, and 405 units at its Hacienda Balai Quezon City project. Outside Manila, the company completed and sold over 250 units at Arrezo Place Davao. The company posted revenue of ₱1.93 billion in 2019, a 4.27% increase from the previous year.

Hospitality Group

2019 average occupancy was 83.30%, driven by conventions and events in SMX Convention Center, Mall of Asia Arena and other venues, increasing business activities in the area, and proximity to the airports, business hubs, malls, commercial centers, and leisure destinations. In 2019, Coral Way had a gross revenue of ₱203.24 million, gross profit of ₱99.93 million and net income of ₱16.83 million.

Others

Although ICI Asia provided consulting services to a larger number of clients, average contract value was lower, resulting in a decrease in revenue to ₱49.85 million from ₱62.17 million in the previous year. In 2019, the company incurred higher than anticipated costs as unforeseen subcontractor costs were required to complete projects. As a result, the company posted a net loss of ₱50.95 million. Moving forward, the company intends to closely monitor project scope of work and costing and to also better coordinate with subcontractors to ensure more profitable operations.

PHINMA divested its ownership in PHEN in 2019.

Below are the material changes in income statement accounts:

Revenues

The ₱1.39 billion movement in the account is mainly due to an increase in revenues of Philcement and the Education Group.

Cost of sales

The ₱246.85 million increase in cost of sales represents the increase in production cost from Philcement as a result of increase in sales.

Cost of educational, installation, hospital and consultancy services

The increase in the account in the amount of ₱533.85 million represents increase in UGC's cost of installation services as well as increase in cost of educational services.

Operating expenses

The ₱121.57 million increase in the accounts general and administrative expenses and selling expenses represent an increase in operating expenses of UGC, Philcement, and the Education Group.

Interest expense and other financing charges

The increase in financial charges in the amount of ₱65.40 million is largely attributable to increase in financial charges of UGC and Philcement in the amount of ₱41.29 million and ₱25.01 million respectively due to higher working capital requirements.

Equity in net earnings (losses) of associates and joint ventures

The increase in the account is largely due to equitized income in affiliate PPHC and Coral Way in the amount of ₱21.12 million and ₱5.58 million respectively. Equitized net loss in Coral Way was ₱2.53 million in 2018 when TRYP by Wyndham Mall of Asia commenced commercial operations.

Foreign exchange gains (losses) - net

Foreign exchange loss of December 31, 2019 arose from the restatement of dollar placements from an average rate of ₱52.58 in December 31, 2018 to ₱50.65 as of December 31, 2019.

Net losses on derivatives

PHINMA parent recognized gain on fair value changes of forward contracts in the total amount of ₱11.07 million on deliverable foreign currency forward contracts. This was offset by a net loss on derivatives of ₱3.93 million and ₱9.24 million as of December 31, 2019 on deliverable forward contracts of UGC and Philcement, respectively.

Gain on sale of investment properties

The gain on sale of ₱7.70 million represents the sale by SWU of a property located in Sambag, Cebu. There was no significant sale of investment property in 2019.

Gain on sale of property, plant and equipment - net

The gain on sale of property, plant and equipment in 2019 of ₱1.31 million represents the sale of fixed assets by PHINMA Education's sale of its fixed assets.

Loss on sale of investment in an associate

In 2018, PHINMA booked a loss on impairment on its PHEN shares in the amount of ₱252.77 million based on an offer from AC Energy Inc. for the said shares. In 2019, PHINMA booked an additional loss of ₱13.08 million upon finalization of the selling price and completion of the sale.

Provision for unrecoverable input value-added tax

The increase in the account represents provision for unrecoverable input tax of the parent company.

Impairment loss on goodwill

The Company booked a full impairment of goodwill in ICI Asia in the amount of ₱14.12 million.

Others - net

The decrease in the account in the amount of ₱2.67 million represents decrease in other income of the parent company, UGC and SJC.

Provision for (benefit from) income tax

The increase in provision for (benefit from) income tax from ₱175.57 million to ₱196.35 million is attributable to the higher income of UGC, Philcement and the schools.

2018 vs. 2017

In 2018, the Group posted consolidated revenues of ₱9.93 billion, a significant increase of 54.69% over the previous year. Construction Materials Group posted a record year, expanding markets and introducing new products, including the legacy Union Cement brand. PHINMA Education posted strong growth from a large returning college freshmen cohort and from a new school acquired just before the start of 2018. As a result, income from operations increased 16.45% from ₱494.30 to ₱575.63 million.

Consolidated net income of the Group increased in 2018 to ₱174.82 million from ₱46.05 million in the previous year. Net income attributable to shareholders of the parent amounted to ₱25.87 million for the year.

Construction Materials Group

In 2018, Philcement and PHINMA Solar joined UGC to form PHINMA's Construction Materials Group. UGC sold a record of nearly 10 million equivalent roofing sheets in 2018, an increase of 27.67% over the previous year, on the strength of new products and expanded markets resulting from strategic growth initiatives the past year. UGC net income increased 47.33% to a record ₱268.20 million from ₱182.04 million the previous year.

Philcement through its legacy brand Union Cement was successful in re-entering key markets nationwide. It is on track to develop market which will absorb the capacity of its future facility in Mariveles, Bataan. Its customers in Luzon and Mindanao still fondly remember the Union Cement brand. Union Cement is available again in selected markets of North and Central Luzon, parts of Visayas, and in Northern and Southern Mindanao, as the company makes significant inroads in re-establishing relationships with customers. As of yearend 2018, Philcement achieved revenues of ₱693.09 million.

Education Group

Despite the challenge posed by the Universal Access to Private Education Act to the private tertiary education industry, PHINMA Education posted consolidated revenues of ₱2.52 billion for calendar year 2020, an increase of 20.63% over the previous year, while consolidated net income increased to ₱362.12 million from ₱150.25 million in the previous year. The increased revenue and net income were due to increased overall enrollment partially due to the strong returning batch of college freshman in June 2018 since the implementation three (3) years ago of the DepEd's K12 program which added two new senior high school years to the system. PHINMA Education posted increased revenue due to strong growth in its freshmen cohort in SY 2019-2020. Total system-wide enrollment increased 12.60% to 69,633 students in SY 2018/2019.

Properties Group

In 2018, PPHC made significant progress in improving operations which resulted in a return to profitability for the company. The company also opened a new 800 square meter co-working space in Rockwell Center - part of a new business direction developed in a 5 year plan which will set the company on a new path to growth and profitability.

PPHC posted revenues of ₱1.85 billion, a 24.40% increase from the previous year. The company posted consolidated net income of ₱38.13 million, a turnaround from the ₱397.21 million net loss in the previous year. The improved profitability is the result of company's efforts in improving margins and reducing costs through operational reorganization.

PPHC turned around from a net equitized loss of ₱141.65 million in 2017 to a modest income of ₱10.67 million in 2018.

Hospitality Group

In its first year of operations, TRYP by Wyndham Mall of Asia had an average occupancy of 55.40% and gross revenue of ₱174.02 million. Gross operating profit was ₱34.38 million and net loss was ₱30.39 million. In the last quarter of 2018, average occupancy improved to 74.40%. The hotel looks forward to sustaining this occupancy and improving financial results because of increased demand for accommodations in the MOA complex. Both Microtel and TRYP by Wyndham hotels shall continue to work together to address the room and/or meeting requirements of corporate accounts, leisure travelers, and convention/event attendees in the area.

Others

PHEN posted ₱15.11 billion in revenue from electricity sales in 2018, a decrease from ₱17.01 billion from the previous year due to lower energy sales after the expiration of various customer contracts. In addition to actual plug and abandonment costs at the parent company, subsidiary PHINMA Petroleum and Geothermal Inc., (PPG) also provided for probable losses on expiring petroleum service contracts. Although PHEN affiliate South Luzon Thermal Energy Corporation (SLTEC) operated its two 135MW coal fired power plants reliably in the first half of 2018, SLTEC line 2 experienced turbine technical issues beginning June 2018 and remained out of service for the rest of the year. Equity in net income from affiliates of PHEN correspondingly decreased in 2018 and the company posted a consolidated net loss of ₱593.16 million from net income of ₱347.17 million in the previous year.

PHEN equitized a loss of ₱148.42 million as the company continued to face low prices in the market.

ICI Asia has pioneered the application of competitive intelligence to the field of social development, providing research support to address social issues primarily for non-profit organizations and government agencies. The company generated revenues of ₱62.17 million, 18.86% higher than the previous year. Net income of ₱4.33 million was lower than the previous year due to delays in award of projects over the year.

Below are the material changes in income statement accounts:

Revenues

The ₱3.51 billion movement in revenue is mainly due to an increase in revenues of UGC in the amount of ₱2.35 billion, revenues of Philcement in the amount of ₱693.09 million, and the increase in revenues of the schools in the amount of ₱431.37 million.

Cost of sales

The ₱2.72 billion increase in cost of sales is largely attributable to UGC.

Cost of educational, installation, hospital and consultancy services

The ₱228.43 million increase in the account is due to increase in educational services of the schools and the first time consolidation of SJC. Cost of consultancy services also increased by ₱13.74 million

Operating expenses

The ₱481.97 million increase in the accounts general and administrative expenses and selling expenses represent operating expenses of UGC and the schools.

Interest expense and other financing charges

The increase in financial charges in the amount of ₱111.11 million represents the full-year impact in 2018 of the interest on the ₱2.00 billion loan of PHINMA which was availed of in May 2017, as well as increase in financial charges of UGC in the amount of ₱42.32 million.

Equity in net earnings (losses) of associates and joint ventures

During the year, PHINMA equitized an income of ₱10.67 million from PPHC compared to equitized loss of ₱141.65 million in 2017. This was partially offset by the equitized loss from PHEN amounting to ₱148.42 million in 2018.

Impairment of investments

In 2018, the Group booked a ₱252.80 million and ₱18.80 million impairment loss on PHEN and PHINMA Power Generation, Inc., respectively.

Foreign exchange gains (losses) - net

Foreign exchange gain as of December 31, 2018 arose from the restatement of dollar placements of the parent company from an average foreign exchange rate of ₱49.93 to ₱52.58 as of December 31, 2018.

Gain (loss) on sale of investment properties

The gain on sale of ₱30.70 million is mainly attributable to the gain on disposal of properties of the parent company and SWU.

Gain on tax-free exchange of land

PHINMA parent transferred its 27.34 hectares property in Calamba City at an appraised value of ₱328.11 million to PPHC in exchange for PPHC shares.

Net gains (losses) on derivatives

UGC recognized a realized gain on derivatives of ₱8.23 million on non-deliverable foreign currency forward contracts. This was offset by a net loss of ₱10.21 million and ₱11.41 million on deliverable forward contracts of PHINMA parent and Philcement with an aggregate notional amount of US\$20.78 million and US\$30.71 million, respectively.

Reversal of (provision for) unrecoverable input value-added tax

The Group reversed in 2018 a provision of unrecoverable input tax made in CY 2017 since it had sufficient output tax in CY 2018 to offset against the input tax.

Provision for (benefit from) income tax

The increase in provision for income tax from ₱118.60 million in 2017 to ₱175.57 million in 2018 is attributable to higher income of UGC and the schools.

Other comprehensive income (loss)

Comprehensive income increased from ₱48.96 million for the twelve-month period ended December 31, 2018 to ₱245.46 million this year due to increase in net income from ₱46.05 million last year to ₱174.82 million this year.

3. FINANCIAL POSITION

March 2021 vs December 2020

The following are the material changes in account balances:

Cash and cash equivalents

The movement in cash and cash equivalents are shown in the cash flow statement

Investments held for trading

The increase in the account represents the parent company's additional investments in unit investment trust funds (UITFs).

Trade and other receivables

The increase in the account is due to higher sales of CMG and due to higher receivables of schools. Tuition fees for the whole term were booked at the start of the second semester in February and will be collected over the semester.

Inventories

The decrease in the account in the amount of ₱350.47 million represents decrease in CMG's finished goods inventory as sales picked up in the first quarter of 2021 coupled with the decrease in UGC's raw materials inventory as it experienced some supply constraints in the first quarter of the year.

Input value-added taxes

The decrease in the account is mainly due to utilization of CMG's input tax which was offset against its output tax from increased sales in the first quarter of 2021.

Other current assets

The increase in the account of ₱104.08 million represents an increase in various current assets of Philcement and the schools.

Property, plant and equipment

The increase in the account amounting to ₱797.72 million is mainly related to the completion of Philcement's port facility in Mariveles, Bataan.

Right-of-use of assets

The decrease in the account of ₱23.60 million represents depreciation of the right-of-use assets of CMG and UPang.

Deferred tax assets – net

The decrease in the account of ₱36.84 million represents decrease in deferred tax assets of the schools as a result of the decrease in tax rate from 10% to 1% under CREATE.

Other noncurrent assets

The increase in other noncurrent assets in the amount of ₱33.04 million represents increase in other noncurrent assets of PHINMA Solar.

LIABILITIES

Notes payable

The increase in the account represents additional short-term borrowings of CMG and PHINMA parent, partially offset by payment of short-term borrowings by the schools.

Trade and other payables

The decrease in the account in the amount of ₱185.61 million represents decrease in trade and other payables of CMG

Trust receipts payable

The decrease of ₱495.36 million in the account is attributable to a decrease in CMG's trust receipts payable.

Contract liabilities

This account increased by ₱76.87 million in the first quarter of 2021. Tuition fees for the semester are accrued as receivable at the start of the semester and the corresponding liability is booked under Contract Liabilities. The latter decreases as the revenue is earned over the semester.

Income and other taxes payable

This account decreased by ₱14.26 million in the first quarter of 2021, mainly due to the impact of lower tax rates from CREATE law.

Derivative liability

The increase in this account is mainly attributable to Philcement's derivative liability resulting from its deliverable forward contracts.

Due to related parties

The ₱13.54 million increase in the account represents payable of PHINMA Education to the ultimate parent company.

Current portion of lease liabilities

The ₱14.47 million increase in the account represents portion of UGC's lease liability which became current in the first quarter of 2021.

Long-term debt – net of current portion

The increase in the account amounting to ₱1,050.56 million represents Philcement's long-term debt with Security Bank, obtained to finance the terminal and port facility in Mariveles, Bataan.

Lease liabilities – net of current portion

The decrease in the account amounting to ₱39.00 million represents periodic lease payments by CMG and UPang.

Other noncurrent liabilities

The increase in the account in the amount of ₱9.02 million represents an increase in other noncurrent liabilities of the schools.

EQUITY

Share in other comprehensive income of associates

The change is due to an increase in fair value of financial assets held by ABCIC Property Holdings Corporation.

Exchange differences on translation of foreign operations

The movement in the account represents the cumulative adjustments mainly arising from the translation of the financial statements of PHINMA Education Myanmar to Philippine Pesos.

Equity reserves

The movement in the account is largely due to the increase in the contingent liability arising from the put option on shares in PHINMA Education

Retained earnings

The increase in the account represents increase in net income for the first quarter of 2021.

2020 vs. 2019

As of December 31, 2020, the Group's total consolidated assets stood at ₱24.47 billion, higher by 9.36% or by ₱2.09 billion than the ₱22.38 billion total consolidated assets as of December 31, 2019.

Similarly, total consolidated liabilities amounted to ₱15.92 billion, higher by 13.42% or by ₱1.88 billion total consolidated liabilities as of December 31, 2019.

The following are the material changes in account balances:

Trade and other receivables

The 16.57% increase in trade and other receivables is mainly attributable to increase in trade receivables of Construction Materials Group.

Inventories

The ₱228.31 million increase in inventory mainly represents increase in inventories of Construction Materials Group.

Input value-added taxes

The 90.56% increase in input tax is attributable mainly to Construction Materials Group.

Other current assets

The increase in the account of ₱36.31 million represents mainly the increase in prepaid insurance of CMG and increase in the deferred scholarship and discounts from the PHINMA Education schools. The latter is amortized and charged to expense over the semester.

Property, plant and equipment

The ₱1.46 billion increase in PPE was mainly due to the completion of Philcement's facility in Mariveles, Bataan and acquisition of RCL. The latter was acquired by PHINMA Education in July 2020.

Deferred tax assets - net

The 31.70% increase represents mainly the increase in deferred tax assets of Construction Materials Group and SWU.

Right-of-use assets

The increase in right of use assets of ₱147.94 million represents mainly the warehouses, properties and other assets leased by Construction Materials Group.

Notes payable

The increase in the account amounting to ₱357.03 million represents additional short-term borrowings of PHINMA, Construction Materials Group, AU, COC, UI and SWU.

Trade and other payables

The increase of ₱597.76 million in trade and other payables represents increase in trade and other payables of Construction Materials Group.

Trust receipts payable

The increase of ₱826.97 million in trust receipts payable was largely in support of the expanded operations of Construction Materials Group.

Contract Liabilities

As a result of the decline in revenues of the PHINMA Education schools, contract liabilities dropped by ₱396.68 million.

Income and other taxes payable

The decrease of ₱71.58 million represents decrease in tax payable of the PHINMA Education schools and Construction Materials Group due to lower income for the year.

Due to related parties

The ₱58.57 million increase in the account represents payable of PHINMA Education to the ultimate parent, PHI

Derivative liability

The decrease in the account represents deliverable forward contracts of Construction Materials Group that became due during the period. As of December 31, 2020, PHINMA had an outstanding derivative liability amounting to ₱32,000.00.

Current portion of long-term debt

The increase in the account of ₱204.65 million represents reclassification of Construction Materials Group loan from long-term debt to current portion of long-term debt.

Current portion of lease liabilities

The increase represents the present value of lease payments of Construction Materials Group which will be due within one (1) year.

Long-term debt – net of current portion

The decrease in the account represents transfers to current portion of long-term debt.

Pension and other post-employment benefits

The decrease in the account amounting to ₱34.28 million represents decrease in accrued retirement of the PHINMA Education schools.

Lease liability

The increase in the account represents the present value of lease payments of Construction Materials Group.

Non-controlling interest put liability

The account represents the present value of the contingent amount payable by PHINMA if the non-controlling shareholders of PHINMA Education exercise their put option on PHINMA Education shares.

In January 2020, Asian Development Bank invested ₱625.00 million in PHINMA Education. The increase in the account is mainly attributable to the NCI put liability arising from ADB's put option.

Other noncurrent liabilities

The decrease in the account in the amount of ₱3.97 million represents primarily a decrease in other noncurrent liabilities of the PHINMA Education schools.

Share in other comprehensive income of associates

The change is due to an increase in fair value of financial assets held by APHI.

Exchange differences on translation of foreign operations

The movement in the account represents the cumulative adjustments arising from the translation of the financial statements of PHINMA Education Myanmar to Philippine pesos.

Equity reserves

The movement in the account arises largely from the investment of Asian Development Bank in PHINMA Education at a premium over book value, offset by the impact of the increase in the Non-controlling interest put liability.

Non-controlling interests

The increase is mainly attributable to the investment made by Asian Development Bank in PHINMA Education in January 2020.

2019 vs. 2018

As of December 31, 2019, PHINMA's total consolidated assets stood at ₱22.38 billion, higher by 17.08% or by ₱3.26 billion than the ₱19.11 billion total consolidated assets as of December 31, 2018.

Similarly, total consolidated liabilities amounted to ₱14.04 billion, higher by 25.87% or by ₱2.89 billion than the ₱11.15 billion total consolidated liabilities as of December 31, 2018.

The following are the material changes in account balances:

Short-term investments

The decrease in the account represents the transfer of investments of PHINMA parent from short-term investments to investments in UITFs.

Investments held for trading

The increase in the account represents additional investments in UITFs from the proceeds of sale by the parent company of its shares in PHEN and PPG.

Trade and other receivables

The increase in the account of ₱665.21 million represents increase in trade receivables of UGC, Philcement and the PHINMA Education schools.

Inventories

The increase in the account in the amount of ₱39.94 million represents an increase in Philcement finished goods inventory in support of expanded sales.

Input value-added taxes

The increase in the account is due to input tax of PHINMA Solar and PSHC Holdings amounting to ₱22.33 million and ₱6.82 million, respectively.

Other current assets

The movement in the account of ₱62.02 million represents a decrease in various assets of PHC.

Noncurrent asset held for sale

In December 2018, PHINMA classified as Asset Held for Sale the investment in PHEN. On June 19, 2019, PHINMA finalized its planned divestment in PHEN and signed the Deed of Absolute Sale with AC Energy, Inc. for the sale of its 26.24% ownership interest.

Investment in associates and joint ventures

The increase in the account mainly reflects the investment in the joint venture of PHINMA Education with Tripersada Global Manajemen of Indonesia in the amount of ₱133.24 million.

Financial assets at fair value through other comprehensive income

The decrease in the account in the amount of ₱133.87 million represents the sale of PHINMA interest in PPG in June 2019.

Property, plant and equipment

The increase in the account amounting to ₱1.68 billion is largely due to the construction of the Philcement terminal in Mariveles in the amount of ₱865.18 million. The increase is also attributable to PHINMA Solar in the amount of ₱175.10 million and the acquisition of Republican College, Inc. by PHINMA Education in December 2019.

Deferred tax assets - net

The increase in the account of ₱64.20 million represents increase in deferred tax assets of UGC, Philcement, PHINMA Solar and SWU.

Right-of-use of assets

The amount of ₱250.57 million as of end December 2019 represents UGC and Philcement right to use warehouses and offices which are under long-term lease. This is in accordance with PFRS 16 effective January 1, 2019.

Other noncurrent assets

The increase in other noncurrent assets in the amount of ₱395.18 million represents PHINMA parent advances to Song Lam Cement Joint Stock Company in the amount of ₱255.09 million as well as other noncurrent assets

of PHINMA Education parent and SWU. The advance to Song Lam will be reclassified to Financial Assets at Fair Value through OCI.

Notes payable

The increase in the account amounting to ₱724.88 million represents additional short-term borrowings of UGC and Philcement.

Trade and other payables

The decrease in the account is due to payment of Philcement trade payables.

Trust receipts payable

The increase of ₱326.25 million in the account is attributable to an increase in trust receipts payable of UGC and Philcement amounting to ₱159.90 million and ₱166.40 million respectively.

Contract liabilities

The increase in the account is attributable to AU, COC, UPANG, UI, SWU and SJCI. Tuition fees for the semester are accrued as receivable at the start of the semester and the corresponding liability is booked under Contract Liabilities. The latter decreases as the revenue is earned over the semester.

Income and other taxes payable

The increase in the account of ₱18.00 million represents increase in various tax payable of Philcement.

Due to related parties

The increase in the account represents amount due to the ultimate parent company, PHINMA Inc.

Derivative liability

UGC and Philcement entered into deliverable forward contracts with aggregate notional amount of US\$39.17 and US\$27.99 million in CY 2019 respectively. As of December 31, 2019, UGC and Philcement have outstanding derivative liability of ₱1.41 million and nil respectively. The combined net loss on derivatives of UGC and Philcement amounted to ₱13.17 million in 2019.

Current portion of long-term debt

The increase in the account of ₱105.50 million represents reclassification of Philcement loan from long-term debt to current portion of long-term debt.

Current portion of lease liabilities

The account represents the present value of all remaining lease payments of UGC and Philcement which will be due within one (1) year. This is in accordance with PFRS 16, effective January 1, 2019.

Long-term debt – net of current portion

The increase in the account of ₱575.71 million represents avilment of long-term debt of AU and Philcement.

Pension and other post-employment benefits

The increase in the account of ₱78.26 million represents additional retirement liability of UGC due to change in financial assumptions used in the valuation.

Lease liabilities - net

The account represents the present value of all remaining lease payments of UGC and Philcement This is in accordance with PFRS 16, effective January 1, 2019.

Non-controlling interest put liability

The amount represents the present value of the amount payable on exercise of the noncontrolling interest put in accordance with PFRS 9. If the NCI put is exercised, the amount recognized as the financial liability at that date is extinguished by the payment of the exercise Price. If the NCI put expires unexercised, the position is unwound so that the NCI is recognized at the amount it would have been, as if the put option had never been granted and the financial liability is derecognized.

Other noncurrent liabilities

The decrease in the account in the amount of ₱12.49 million represents a decrease in other noncurrent liabilities of PHINMA Education parent and AU.

Share in other comprehensive income of associates

The change is due to a decrease in fair value of financial assets held by ABCIC.

Exchange differences on translation of foreign operations

The movement in the account represents the cumulative adjustments arising from the translation of the financial statements of PHINMA Education Myanmar to Philippine pesos.

Equity reserves

The movement in the account is largely due to the gain on dilution of PHINMA upon the entry of new investors in PHINMA Education. Investors subscribed to shares at ₱299.96 per share compared to a book value of ₱242.94 per share.

Other comprehensive income

The decrease in the account represents adjustment in the adoption of new accounting standards on PFRS 9 on Financial Assets.

Treasury shares

The increase in the account represents buyback of 9.22 million shares of PHINMA during the year at an average price of ₱9.95 per share.

2018 vs. 2017

As of December 31, 2018, PHINMA's total consolidated assets stood at ₱19.11 billion, higher by 14.26% or by ₱2.39 billion than the ₱16.73 billion total consolidated assets as of December 31, 2017.

Similarly, total consolidated liabilities amounted to ₱11.15 billion, higher by 26.65% or by ₱ 2.35 billion than the ₱8.80 billion total consolidated liabilities as of December 31, 2017.

The following are the material changes in account balances:

Short-term investments

The decrease in the account is due to payment of subscription payable to Philcement.

Investments held for trading

The decrease in the account represents transfer of investments from Investments Held for Trading account to cash and cash equivalents to fund operations.

Trade and other receivables

The increase in the account is due to an increase in trade and other receivables of Philcement and UGC in the amount of ₱309.35 million and ₱160.49 million respectively.

Inventories

The increase in the account in the amount of ₱313.53 million represents an increase in Philcement and UGC's finished goods inventory.

Noncurrent asset held for sale

The amount represents the net realizable value of the company's 26.25% interest in PHEN. On February 8, 2019, the Parent Company and AC Energy, Inc. signed an Investment Agreement for the sale of the Parent Company's 1,283,422,198 shares in PHEN to AC Energy.

Input value-added taxes

The ₱11.54 million decrease in the account represents a decrease in input tax of UGC during the year.

Derivative asset

PHINMA entered into deliverable forward contracts with an aggregate notional amount of US\$20.78 million which are outstanding as of December 31, 2018. The weighted average contracted forward rate is ₱52.84 to US\$1.00 as of December 31, 2018. PHINMA booked an unrealized gain of ₱1.91 million as of December 31, 2018.

Other current assets

The decrease in the account of ₱12.36 million is due to a decrease in other current assets of the parent company in the amount of ₱10.26 million.

Investment in associates and joint ventures

The decrease in the account represents the reclassification of investment in PHEN shares to asset held for sale in view of the agreement with AC Energy.

Financial assets at fair value through other comprehensive income

The amount represents available for sale assets which are carried at fair value. Movements in fair value are charged to other comprehensive income.

Available-for-sale investments

The decrease in the account represents the reclassification of the available for sale investments valued at cost to financial assets at fair value through other comprehensive income.

Property, plant and equipment

The increase in the account of ₱1.07 billion is largely attributable to capital expenditures for facilities of Philcement in the amount of ₱880.39 million.

Investment properties

The decrease in the amount of ₱173.94 million represents the transfer of land to PPHC under a tax free exchange as well as the disposal of properties of the Parent Company and SWU.

Deferred tax assets - net

The decrease in the account of ₱49.12 million represents decrease in deferred tax assets of UGC, COC and UPANG in the amount of ₱19.37 million, ₱17.14 million and ₱14.79 million respectively.

Other noncurrent assets

The increase in other noncurrent assets in the amount of ₱24.24 million is attributable to Philcement and UI.

Notes payable

The increase in the account amounting to ₱199.92 million represents short-term borrowings of Philcement.

Trade and other payables

The increase in trade and other payables in the amount of ₱580.52 million represents trade and other payables of Philcement.

Trust receipts payable

The increase in the account of ₱355.92 million is attributable to an increase in UGC's trust receipt payable from ₱521.70 million as of December 31, 2017 to ₱685.81 million as of end December 2018 as well as trust receipts payable of Philcement in the amount of ₱191.80 million.

Unearned revenues

The decrease in the account represents reclassification of the amount to Contract Liabilities as a result of the adoption of PFRS 15.

Contract liabilities

With the adoption of PFRS 15 (Revenue from contracts with customers), this account includes the unearned revenue from the PHINMA Education schools and deposits made by the customers of UGC.

Income and other taxes payable

The increase in the account of ₱65.44 million represents an increase in various tax payable of UGC and the PHINMA Education schools in the amount of ₱25.00 million and ₱22.00 million, respectively.

Due to related parties

The decrease in the account represents payment of accounts to the ultimate parent company, PHI

Current portion of long-term debt

The ₱70.66 million decrease in the account represents UGC's payment of loan to Security Bank.

Derivative liability

UGC has outstanding deliverable forward contracts with a notional amount of US\$131.90 million in 2018. The weighted average contracted forward rate is ₱52.79 to US\$1.00 as of December 31, 2018. UGC recognized an unrealized loss on derivatives of ₱1.54 million as of December 31, 2018.

Long-term debt – net of current portion

The increase in the account represents the long-term loan avancement of UGC, Philcement, SWU, UPANG, UI and COC.

Deferred tax liabilities - net

The decrease in the amount represents decrease in deferred tax liabilities of COC and UPANG.

Pension and other post-employment benefits

The ₱111.30 million decrease in the account represents a decrease in accrued retirement liability of UGC and the PHINMA Education schools.

Deferred rent revenue

The decrease in the account represents the decrease in deferred rent revenue of PSHC.

Other noncurrent liabilities

The increase in the account of ₱8.43 million represents an increase in other non-current liabilities of PHINMA Education and AU.

Share in other comprehensive income of associates

The change is due to a decrease in fair value of financial assets held by PHEN.

Exchange differences on translation of foreign operations

The ₱0.95 million movement in the account represents the cumulative adjustments arising from the translation of the financial statements of PHINMA Education Myanmar to Philippine pesos.

Equity reserves

The increase in the account is largely due to adjustments arising from the valuation of shares issued by UGC to its officers.

Other comprehensive income

The ₱51.84 million increase in the account represents the increase in the re-measurement gain on defined benefit obligation of UGC from ₱46.05 million in 2017 to ₱174.82 million in 2018.

Treasury shares

The increase in the account represents the buyback of 4,538,479 PHINMA shares for the year 2018 at an average price of ₱9.41 per share.

4. KEY PERFORMANCE INDICATORS (“KPI”)

Below are the top five (5) KPI's used to measure the financial performance of PHINMA and its material subsidiaries for the periods indicated:

PHINMA

Financial KPI	Definition	Three months ended	For the year ended December 31,		
		March 31,	2020	2019	2018
<u>Profitability</u>					
Return on Equity	Net Income Attributable to Equity holders of the Parent	4.56%	2.61%	3.46%	0.38%

	Average Equity Attributable to Equity Holders of the Parent ²¹				
Gross Profit Margin	Gross Profit ²²	30.45%	26.54%	28.62%	26.46%

	Total Revenues				
<u>Efficiency</u>					
Cash Flow Margin	Cash Flows from Operating Activities	(5.58%)	9.14%	(0.78%)	13.60%

	Total Revenues				
<u>Liquidity</u>					
Current Ratio	Total Current Assets	1.65 : 1.00	1.53 : 1.00	1.93 : 1.00	2.25 : 1.00

	Total Current Liabilities				
Debt-to-Equity Ratio	Total Liabilities	1.88 : 1.00	1.86 : 1.00	1.68 : 1.00	1.40 : 1.00

	Total Equity				
Asset to Equity	Total Assets	2.88	2.86	2.68	2.40

	Total Equity				
Interest Rate Coverage Ratio	EBITDA ²³	7.10	2.79	3.14	2.69

	Interest Expense and Other Financing Charges				

²¹ Average Equity Attributable to Equity Holders of the Parent is derived by dividing in two (2) the sum of beginning Equity Attributable to Equity Holders of the Parent and ending Equity Attributable to Equity Holders of the Parent.

²² Gross Profit is calculated by deducting cost of sales and cost of educational, installation, hospital and consultancy service from total revenues.

²³ EBITDA is net income of the Issuer after adding back (i) interest expense and other financing charges (ii) provision for (benefit from) income tax and (iii) depreciation and amortization.

UGC

Financial KPI	Definition	Three months ended	For the year ended December 31,		
		March 31,	2020	2019	2018
<u>Profitability</u>					
Return on Equity	Net Income / Average Total Equity ²⁴	3.79%	14.47%	28.17%	28.98%
Gross Profit Margin	Gross Profit / Revenue from Contracts with Customers	23.50%	23.09%	22.94%	16.78%
<u>Efficiency</u>					
Cash Flow Margin ²⁵	Cash flows from operating activities / Revenue from Contracts with Customers	-	6.24%	11.56%	3.92%
<u>Liquidity</u>					
Current Ratio	Total Current Assets / Total Current Liabilities	1.23 : 1.00	1.19 : 1.00	1.35 : 1.00	1.57 : 1.00
Debt-to-Equity Ratio	Total Liabilities / Total Equity	2.06 : 1.00	2.30 : 1.00	2.50 : 1.00	1.89 : 1.00

Phlcement

Financial KPI	Definition	Three months ended	For the year ended December 31,		
		March 31,	2020	2019	2018
<u>Profitability</u>					
Return on Equity	Net Income / Average Total Equity	16.74%	84.74%	14.61%	5.10%
Gross Profit Margin	Gross Profit / Sale of Goods	20.36%	20.30%	6.91%	4.76%
<u>Efficiency</u>					

²⁴ Average Total Equity is derived by dividing in two (2) the sum of beginning total equity and ending total equity.

²⁵ The Company does not measure Cash Flow Margin on a quarterly basis, nor does it consider Cash Flow Margin as a Key Performance Indicator due to the cyclical nature of its strategic business units' operating activities.

Financial KPI	Definition	Three months ended	For the year ended December 31,		
		March 31,	2020	2019	2018
Cash Flow Margin ²⁶	Cash Flows from Operating Activities / Sale of Goods	2021	2020	2019	2018
		-	24.45%	-30.70%	(26.15%)
Liquidity					
Current Ratio	Total Current Assets / Total Current Liabilities	0.96 : 1.00	0.81 : 1.00	0.76 : 1.00	0.65 : 1.00
Debt-to-Equity Ratio	Total Liabilities / Total Equity	2.60 : 1.00	2.52 : 1.00	5.73 : 1.00	3.56 : 1.00

PHINMA Education

Financial KPI	Definition	Three months	For the fiscal year ended March 31,		
		ended March 31,	2020	2019	2018
		2021	2020	2019	2018
Profitability					
Return on Equity	Net Income / Average Total Equity	4.66%	10.75%	12.36%	7.32%
Efficiency					
Cash Flow Margin ²⁷	Cash Flows from Operating Activities / Revenue from Contracts with Customers	-	(2.78%)	22.85%	23.94%
Liquidity					
Current Ratio	Total Current Assets / Total Current Liabilities	1.65 : 1.00	2.86 : 1.00	1.42 : 1.00	1.65 : 1.00
Debt-to-Equity Ratio	Total Liabilities / Total Equity	1.02 : 1.00	0.85 : 1.00	1.42 : 1.00	1.88 : 1.00

Operational KPIs of each business segment can be found in *the "Description of Business"*.

Events Affecting Capital Expenditure, Liquidity and Financial Obligations

The COVID-19 outbreak could still have a material impact on its 2021 financial results and even periods hereafter. Considering the evolving nature of this outbreak, the Group cannot determine at this time the impact to its financial position, performance and cash flows. PHINMA and its subsidiaries continue to monitor developments and to

²⁶ The Company does not measure Cash Flow Margin on a quarterly basis, nor does it consider Cash Flow Margin as a Key Performance Indicator due to the cyclical nature of its strategic business units' operating activities.

²⁷ The Company does not measure Cash Flow Margin on a quarterly basis, nor does it consider Cash Flow Margin as a Key Performance Indicator due to the cyclical nature of its strategic business units' operating activities.

adapt accordingly.

Other than the effects of the COVID-19 pandemic, there are no known trends or demands, commitments, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the Group's net sales or revenues or that are reasonably likely to result in PHINMA's liquidity increasing or decreasing in any material way. The discussion on other known trends, events or uncertainties that might trigger direct or contingent financial obligations that are material to the Company and its subsidiaries, including any default or acceleration of an obligation, can be found in previous sections of this Prospectus (Please see section on "Risk Factors and Other Considerations" of this Prospectus and in the audited financial statements, including notes thereto, included elsewhere in this Prospectus).

The Company has no material commitments for capital expenditures other than those disclosed in the *Use of Proceeds*. Funding of these capital expenditures will be sourced from the Bonds, internally generated cash flows, and available credit facilities.

There is no significant element of income not arising from continuing operations other than those disclosed in the financial statements.

Like any other company in the construction industry, the operations of UGC is affected by seasonality demand. Demand for roofing materials is greater during the months from December to May, than during the rainy months of June to November. Hence, the demand for the first semester of the calendar year is normally higher than that of the second semester.

The revenues of the PHINMA Education schools decline during summer months. Hence, net income during the first half of the calendar year is lower than the second half.

For other subsidiaries, there is no significant seasonality that would materially affect their operations.

Call and Put Option over the Non-Controlling Interest in PHINMA Education

As part of the signed investment agreement of PHINMA Education and the Investors, in the event that an initial public offering of PHINMA Education is not completed on the fifth anniversary of the agreement, the Investors have an irrevocable right and option to sell to and obligate PHINMA to purchase all or portion of their shares (put option). On the other hand, PHINMA has an irrevocable right and option to purchase and obligate all of the Investors to sell all of its shares under certain conditions. The exercise price of the options is based on a price that generates 10% Internal Rate of Return ("IRR") based on the Investor US Dollar price per share which is calculated at the agreed exchange rate for the period beginning on the closing date and ending on the date of the relevant notice.

This transaction resulted to recognition of "Non-controlling interest put liability" amounting to ₱1,585.85 million and ₱900.01 million as at December 31, 2020 and 2019, respectively, and derecognition of "Non-controlling interests" amounting to ₱358.18 million and ₱657.65 million in 2020 and 2019, with the difference recorded as "Equity reserves" amounting to ₱327.7 million and ₱242.4 million in 2020 and 2019, respectively. As at December 31, 2020, the Company fully expects to complete the initial public offering within a certain period as agreed in the signed investment agreement and will at that point derecognize the put liability with a corresponding credit to the same components of equity.

Changes in and Disagreements with Independent Auditors

During the past five (5) years, there has been no event in which PHINMA and SGV has any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

XVI. DIRECTORS, EXECUTIVE OFFICERS, KEY PERSONS

Board of Directors

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets quarterly or as often as required, to review and monitor the Company's financial position and operations. The directors of the Company are elected at the Annual Stockholders' Meeting to hold office for one (1) year and until their respective successors have been elected and qualified. No director has resigned nor declined to stand for re-election to the Board since the date of the last annual meeting of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies, and practices. The Board of Directors has no reason to believe that any of the aforesaid nominees will be unwilling or unable to serve if elected as a director.

At the Annual Stockholders' Meeting of PHINMA conducted on April 14, 2021 the following were elected as Directors of the Company:

Directors	Citizenship	Age	Position
Oscar J. Hilado	Filipino	83	Chairman of the Board
Ramon R. del Rosario, Jr.	Filipino	76	Vice Chairman and President & CEO
Magdaleno B. Albarracin, Jr.	Filipino	84	Director
Victor J. del Rosario	Filipino	72	Director
Amb. Jose L. Cuisia, Jr.	Filipino	76	Director
Eduardo A. Sahagun	Filipino	64	Director, Executive Vice President – Construction Materials
Meliton B. Salazar, Jr.	Filipino	55	Director, Executive Vice President - Education and Chief Operations Officer
Edgar O. Chua	Filipino	64	Independent Director
Juan B. Santos	Filipino	82	Independent Director
Lilia B. de Lima	Filipino	80	Independent Director
Rizalina G. Mantaring	Filipino	61	Independent Director

The qualifications of the Directors, including their current and past positions held and business experience for the past five years, are set forth below:

Oscar J. Hilado has been the Chairman of the Board of the Company since 2003. He is also Chairman of the Board of PHI, PPHC and Vice-Chairman of UGC. Mr. Hilado is also an Independent Director and Chairman of the Audit Committee of A. Soriano Corporation, Philex Mining Corporation, Smart Communications, Inc., Rockwell Land Corporation and Roxas Holdings Inc. He is also a Director of Seven Seas Resort and Leisure, Inc. PHINMA Solar Corporation, Digital Telecommunications Philippines, Inc., Manila Cordage Company, Beacon Property Ventures, Inc., Pueblo de Oro Development Corporation, UPPC, Philcement, PHINMA Hospitality, PHINMA Microtel Hotels, Inc., PHINMA Education and the PHINMA Education Schools; Cebu Light Industries Phils., Inc., and Pamalican Resort, Inc. Mr. Hilado is a Certified Public Accountant with a Bachelor of Science Degree in Commerce from the De La Salle College in Bacolod and a Master's Degree in Business Administration from the Harvard Graduate School of Business. He has been a Director of the Company since 1969 and is also the Chairman of the Executive Committee and Retirement Committee of the Company. He attended the Annual Corporate Governance seminar conducted by SEC-accredited training provider Center for Global Best Practices ("CGBP") on October 23, 2020.

Ramon R. del Rosario, Jr. is the President and CEO of PHINMA, Inc. and PHINMA. He is Chairman of the Board of Trustees of PHINMA Education and the PHINMA Education Schools. He is also President of the Board of Commissioners of IPM, Vice Chairman of PPHC, Chairman of UPPC of the Siam Cement Group, PHINMA Microtel Hotels, Microtel Hospitality, Inc. and other PHINMA-managed companies. He currently serves as a member of the Board of Directors of The Bank of the Philippine Islands (BPI). He served as Secretary of Finance of the Philippines from 1992 to 1993. He is the Chairman of Philippine Business for Education ("PBED"). He was

the Chairman of the Makati Business Club, the Integrity Initiative, National Museum of the Philippines and Ramon Magsaysay Award Foundation. He was selected as the Most Outstanding Student of the Philippines in 1967, one of the Ten Outstanding Young Men of the Philippines in 1978, the MAP Management Man of the Year in 2010 and received the "Business as a Noble Vocation Award" in November 2018 awarded by the International Christian Union of Business Executives or UNIAPAC at the XXVI UNIAPAC World Congress in Lisbon, Portugal. He is the brother of Mr. Victor J. del Rosario. Mr. del Rosario obtained his BSC- Accounting and AB-Social Sciences degrees (Magna cum Laude) from De La Salle University and Master's degree in Business Administration from the Harvard Business School. He has been a director of the company since 2002. He attended the Annual Corporate Governance seminar conducted by SEC-accredited training provider CGBP on October 23, 2020.

Magdaleno B. Albarracin, Jr. is the Vice-Chairman of PHINMA, Inc. and the Chairman of its Executive Committee. He is a director of PHINMA and all other PHINMA, Inc. companies. He has been with PHINMA, Inc. since June 23, 1971. He was president and a former director of Holcim Philippines, Inc. Dr. Albarracin was a member of the Board of Regents of the University of the Philippines (U.P.) as well as Board of Trustees of U.P. Engineering Research and Development Foundation, Inc. (UPERDF). He was the Chairman of the Board of Trustees of the University of San Carlos, Cebu City. He served as Dean of the UP College of Business Administration and was President of the ASEAN Federation of Cement Manufacturers. Dr. Albarracin has a Bachelor of Science degree in Electrical Engineering from the University of the Philippines and a Master of Science degree in Electrical Engineering from the University of Michigan. He obtained his Master in Business Administration degree from the University of the Philippines and his Doctorate in Business Administration from Harvard University. He has been with PHINMA, Inc. since June 1971 and has been a Director of PHINMA since 1980. He attended the Annual Corporate Governance seminar conducted by SEC-accredited training provider CGBP on October 23, 2020.

Victor J. del Rosario is an Economics and Accounting graduate of De La Salle University and holds a Master's degree in Business Administration from Columbia University. He was elected as director on September 15, 2008. He is the Chairman of UGC and Philcement. He is the Executive Vice President and Chief Strategic Officer of PHI. He is also a member of the Board of Directors of PHINMA, Inc. and other PHINMA-managed companies. Mr. Del Rosario is the brother of Mr. Ramon R. del Rosario. He attended the Annual Corporate Governance seminar conducted by SEC-accredited training provider CGBP on October 23, 2020.

Jose L. Cuisia, Jr. was the Philippine Ambassador Extraordinary and Plenipotentiary to the United States of America and non-resident Ambassador to Trinidad & Tobago, the US Virgin Islands, Grenada, Puerto Rico, the Commonwealth of Jamaica and the Republic of Haiti, Antigua & Barbuda, Barbados, the Commonwealth of Dominica, The Federation of St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines. Ambassador Cuisia previously served the Philippine Government as Governor of the Philippine Central Bank and Chairman of its Monetary Board from 1990-1993, was Governor for the Philippines to the International Monetary Fund and Alternate Governor to the World Bank. He was also Administrator and CEO of the Philippine Social Security System from 1986-1990. He was also appointed Commissioner, representative of the Employer's Group, for the Social Security System (SSS) from September-December 2010. He was President and CEO of Philam Life for 16 years. He is the Chairman of the Board of The Covenant Car Company, Inc. and FWD Life Insurance Company; and of the Advisory Board of Adlemi Properties Inc., Five J's Diversified Inc., JVC Corporation, and Starr International Insurance-Philippine Branch. He is Vice-Chairman of the Board and Lead Independent Director of SM Prime Holdings. He holds directorates in Manila Water Company, Inc., Century Properties Group, Inc., PHINMA, Inc., and Asian Breast Center, Inc. He previously held the Chairmanship of the Board of Far East Bank and Trust Company, Union Bank of the Philippines, Asian Institute of Management, BPI-Philam Life Assurance Co., Philam Foundation, Tower Club, Inc., and De La Salle University. Ambassador Cuisia was elected as Chairman of the Board of Trustees of the University of Asia & the Pacific in 2019; elected to the Board of Trustees of the De La Salle Medical & Health Sciences Institute and De La Salle University -Dasmarias in December 12, 2019 and the former Chairman, Current Trustee and Treasurer of the Ramon Magsaysay Awards Foundation. He is a Convenor-Trustee of the PBED and a Trustee of the Makati Business Club. Ambassador Cuisia is a recipient of numerous awards including 2016 Ten Outstanding Filipino and 2016 Order of the Sikatuna, among others. He obtained his BSC-Accounting and AB-Social Sciences degrees (Magna cum Laude) from De La Salle University and Master's degree in Business Administration from University of Pennsylvania. He has been a Director of the Company since 1994. He attended the Annual Corporate Governance seminar conducted by SEC-accredited training provider CGBP on October 23, 2020.

Eduardo A. Sahagun is the President and CEO of UGC, Philcement and PHINMA Solar. He has held the roles for these companies, since 2017. He is also a director of UGC, Philcement, PHINMA Solar, PPHC, T-O Insurance Brokers, Inc., PHINMA Renewable Energy Corporation and a member of the Board of Trustees of PHINMA Foundation, Inc. Concurrently, he is an Independent Director of Philippine Savings Bank and Chairman of Edcommerce Corporation. He was previously a Director and President of Holcim Philippines, Inc., a Director of Holcim Philippines Manufacturing Corporation and Chairman of Holcim Mining and Development Corporation. In 1994, he obtained his graduate degree in Management Science from Arthur D. Little Management Education Institute (now called Hult International Business School) in Cambridge, MA, USA. Prior to that year, he obtained his Masters in Business Administration Degree from the Ateneo Graduate School of Business in the Philippines. He also attended the Senior Management Program, Senior Leadership Program and Managing Change Program at the Institute for Management Development, based in Lausanne, Switzerland. In 1978, he obtained his Bachelor of Science in Commerce degree, major in Accounting, from Holy Angel University. Mr. Sahagun was first elected as Director of the Company at the most recent Annual Stockholders' Meeting held on April 14, 2021 and will serve as such for the ensuing year, until his successor is duly elected.

Meliton B. Salazar, Jr. is the President and Chief Executive Officer of PHINMA Education and also a Senior Vice President of PHINMA, Inc. from year 2003 to present. He carried out several management positions at the Ateneo De Manila University, the latest of which as being the Vice Chairman, Board of Trustee of the said University. He is a Co-Founder and President of the PBED and a member and private sector representative, Governing Board of the Philippine Statistical Research and Training Institute. He is a member of the Board of Directors of PHILAM Asset Management, Inc. and PHINMA Saytanar Education Company, Ltd. He is the Vice Chairman of the Philippine Press Council-National Council from 2011 to present. He was the President and Chief Executive Officer of STI International, Inc., iAcademy and STI, Inc. from 2001 to 2003. In addition, he was part of the academe, when he became part-time Associate Professor at the School of Management and at the School of Social Sciences of the Ateneo de Manila University from 2007 to 2010 and Part-time Lecturer from 1998 to 1992, with the Department of Economics, Department of English and Department of Math also at the Ateneo de Manila University. He was a part-time Lecturer at the Economics Department of Assumption College and Associate Professor at the Asian Institute of Management. He was a Consultant at the Institute of Environmental Studies and United National Environmental Programme Project from 1997-1998. He became a Research Assistant to both Dr. James Mittelman, Chair of the Department of Regional and Comparative Studies and Dr. Steven Arnold, Director of the International Development Program at the American University from 1993-1995. In 1991, he was an Assistant of Dr. Henry Schwalbenberg, Director of the Program in International Political Economy and Development of Fordham University. Mr. Salazar obtained his B.S. Management Engineering Degree at the Ateneo de Manila University in 1987. After 5 years, he obtained his Master of Arts Degree on International Political Economy and Development from Fordham University, Bronx, New York USA and Doctor of Philosophy on International Relations, major in International Development and Development Management School of Internal Service at The American University, Washington, D.C., 8 years thereafter. Dr. Salazar was first elected as Director of the Company at the most recent Annual Stockholders' Meeting held on April 14, 2021 and will serve as such for the ensuing year, until his successor is duly elected.

Edgar O. Chua is currently the President and Chief Executive Officer of Cavitex Holdings, Inc. and Amber Kinetics Inc. He has been an Independent Director of Metropolitan Bank and Trust Company since 2017, Philcement and Integrated Micro-Electronics, Inc. since 2014 and Energy Development Corporation since 2007. He currently holds the position of Chairman of the Philippine Eagle Foundation since 2017, Philippine Business for the Environment, De La Salle University Board, De La Salle Science Foundation since 2017 and Makati Business Club since 2016. He is currently the Chairman for the College of Saint Benilde, University of La Salle Bacolod and CEO of De La Salle Philippines. He is a Trustee/Treasurer of PBED and Trustee for the De La Salle Araneta Salikneta since 2015, The English-Speaking Union of the Philippines, Inc. since 2009, Gawad Kalinga Community Development Foundation Inc. since 2005, and Pilipinas Shell Foundation Inc. 2003. He is also a Member of the Advisory Board of Mitsubishi Motors Phil. Corp. and Coca Cola Bottlers Phils. Mr. Chua is affiliated with the Integrity Initiative, National Resilience Council, and the Phil. Disaster and Resilience Foundation. He held senior positions within various Shell group of companies, both locally and outside of the Philippines, including but not limited to being the Chairman of Pilipinas Shell Petroleum from September 2003 to May 2017 and being the Country Chairman of Shell companies in the Philippines from September 2003 to October 2016. He earned his Bachelor of Science degree in Chemical Engineering from De La Salle University in 1978 and attended various international seminars

and courses including the senior management course in INSEAD in Fontainebleau, France. Mr. Chua was first elected as Director of the Company at the most recent Annual Stockholders' Meeting held on April 14, 2021 and will serve as such for the ensuing year, until his successor is duly elected.

Juan B. Santos, was elected as an Independent Director in 2018. He is also a Director of First Philippine Holdings Inc., Allamanda Management Corporation, PHI, Rizal Commercial Banking Corporation, Sunlife Grepa Financial, Inc., House of Investment Inc; Trustee of Dualtech Training Center Foundation, Inc.; St. Luke's Medical Center; Member of the Board of Advisors of East-West Seeds Co., Mitsubishi Motor Phil. Corporation; Consultant of Marsman-Drysdale Group of Companies. His past experiences include: Chairman of Social Security System; Secretary of Trade and Industry, Philippines ; Chairman and CEO of Nestle Philippines, Singapore and Thailand; Director of Philex Mining Corporation, Philippine Long Distance Telephone Company, San Miguel Corporation; Educational Background: Advanced Management from International Institute of Management Development (IMD), Lausanne, Switzerland; Post-graduate studies on Foreign Trade from Thunderbird School of Global Management, Arizona, USA; and Bachelor of Science in Business Administration from Ateneo De Manila University, Philippines. He attended the Corporate Governance seminar conducted by ABCOMP on September 23, 2020.

Lilia B. de Lima received the 2017 Ramon Magsaysay Award for her sustained leadership as Director General of the Philippine Economic Zone Authority, in building a credible and efficient ("PEZA") during her 21 years of service from its creation in 1995 to 2016. She is the first woman honored as "Management Man of the Year" by the Management Association of the Philippines in 2010. In 2014 The Philippine-Japan Society recognized her Outstanding Achievement in the Promotion of Philippine-Japan Relation, the first woman to receive the award in 36 years. The Joint Foreign Chambers of Commerce of the Philippines awarded her The Arangkada Lifetime Achievement Award in 2014. She was awarded the Robert Storey International Award for Leadership by The Center for American and International Law in Dallas, Texas in 2013. She was awarded the ASEAN CEO Award in 2011 and in 2010 the Government of Japan bestowed on her the highest award given to a non-head of State, the Order of the Rising Sun, Gold and Silver Star. She is twice a recipient of the Presidential Medal of Merit from the Philippine government. Miss de Lima was also recognized as Outstanding Women in the Nation's Service Award in the field of law in 1983. She was elected Delegate to the 1971 Constitutional Convention, served as Director of the Bureau of Domestic Trade, Executive Director of the Price Stabilization Council, Department of Trade and Industry, Chief Operating Officer of World Trade Center Manila and Commissioner of the National Amnesty Commission. She earned her Associate in Arts from the Centro Escolar University and her Bachelor of Laws from the Manuel L. Quezon University and subsequently passed the Philippine BAR. She was conferred a Doctor of Laws Honoris Causa by Manuel L. Quezon University and is a fellow of the Center for American and International Law in Dallas, Texas, USA. She is Independent Director of IONICS, Inc., IONICS EMS, and FWD Life Insurance Corporation. She is a Director of RCBC, Dusit Thani Philippines, Science Park of the Philippines, RFM Science Park of the Philippines, Pueblo de Oro Development Corporation, Regatta Properties Inc. She is an Executive-in-Residence in the Asian Institute of Management and a Trustee of Fatima Center for Human Development. She was elected as Independent Director of the Company on April 19, 2018. She attended the Annual Corporate Governance Seminar conducted by SEC- accredited training provider Center For Global Best Practices (CGBP) on October 23, 2020.

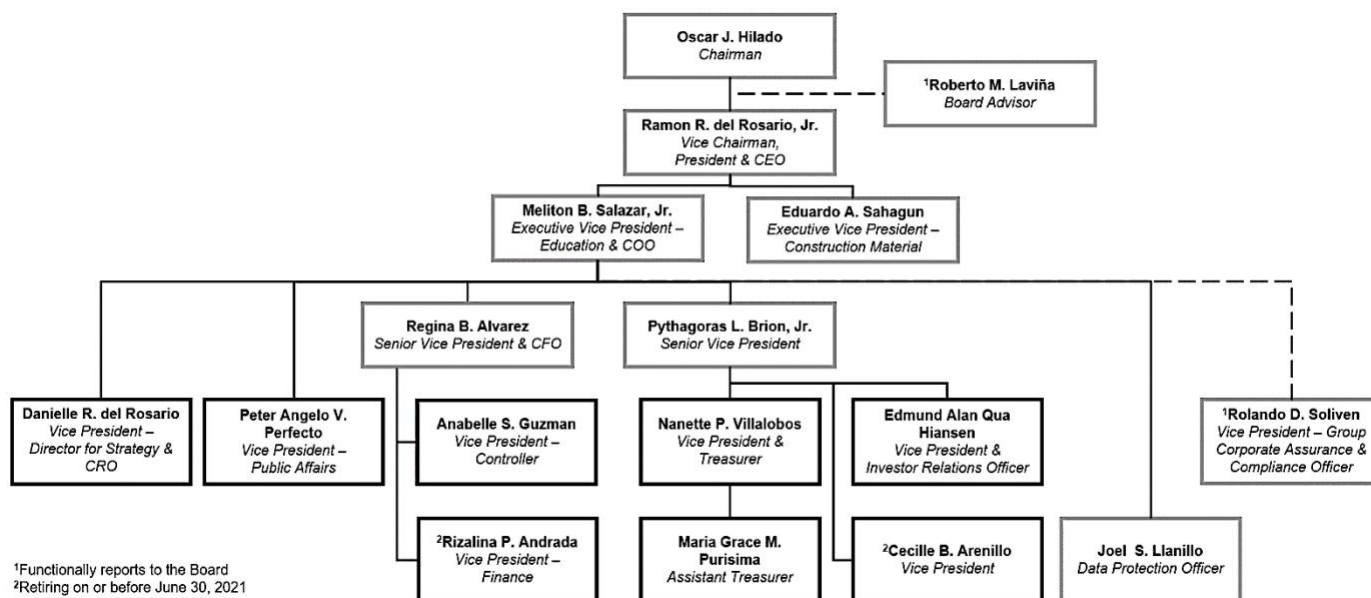
Rizalina G. Mantaring was the CEO of Sun Life Financial Philippines until her retirement in June 2018, after which she assumed the chairmanship of Sun Life Financial Philippine Holding Co. until she stepped down in August 2019. She started her career in Information Technology, joining Sun Life in 1992 as Senior Manager for Asia Pacific of its Information Systems Department and progressively took on a variety of roles until she was appointed Chief Operations Officer for Asia in 2008. She is an Independent Director of Ayala Corporation Inc., Ayala Land, Inc., First Philippine Holdings Corporation Inc., Universal Robina Corp. Inc., East Asia Computer Center Inc. and MicroVentures Foundation. She is also a director of Sun Life Grepa Financial Inc. Among her other affiliations are as Board of Trustees of Makati Business Club, Philippine Business for Education, Parish-Pastoral Council for Responsible Voting , and Operation Smile Philippines. She was also President of the Management Association of the Philippines and the Philippine Life Insurance Association. A recipient of the Asia Talent Management Award in the Asia Business Leaders Award organized by the global business news network Consumer News and Business Channel , she has also been recognized by the International Association of Business Communicators (Philippines) with the CEO Excel award, and was named by Moneysense Magazine as one of the 12 Most Influential in Personal Finance. She was selected as one of the 100 Most Outstanding Alumni of the past century by the University of the Philippines College of Engineering and received the PAX award, the

highest award given to outstanding alumnae, in 2019 from St. Scholastica's College Manila. She holds a BS Electrical Engineering degree from the University of the Philippines where she graduated with honors. She obtained her MS degree in Computer Science from the State University of New York at Albany. She is also a Fellow, Life Management Institute (with distinction) and Associate, Customer Service (with honors) of the Life Office Management Association. She was elected as Independent Director of the Company on April 12, 2019. She attended the Annual Corporate Governance seminar conducted by SEC-accredited training provider CGBP on October 23, 2020.

EXECUTIVE OFFICERS

Organizational Structure

As of the organizational meeting of the Board of Directors conducted immediately after the April 14, 2021 Annual Stockholders' Meeting, the Group's organizational structure is presented below:



The officers of PHINMA are elected annually by the Board of Directors and serve for one (1) year and until their respective successors are elected and qualified. None of the officers of the Company hold more than two percent (2%) of the Company's shares

Name of Person	Position/Designation
Pythagoras L. Brion, Jr.	Senior Vice President
Regina B. Alvarez	Senior Vice President and CFO
Nanette P. Villalobos	Vice President and Treasurer
Edmund Alan A. Qua Hiansen	Vice President and Investor Relations Officer
Annabelle S. Guzman	Vice President - Controller
Danielle R. del Rosario	Vice President - Director for Strategy and Chief Risk Officer
Rolando D. Soliven	Vice President - Group Corporate Assurance and Compliance Officer
Peter V. Perfecto	Vice President - Public Affairs
Cecille B. Arenillo	Vice President
Rizalina P. Andrada ²⁸	Vice President - Finance
Joel S. Llanillo	Data Protection Officer
Ma. Gracia M. Purisima	Assistant Treasurer
Troy A. Luna	Corporate Secretary
Ma. Concepcion Z. Sandoval	Assistant Corporate Secretary

²⁸ Rizalina P. Andrada, the Company's Vice President – Finance, has retired effective July 1, 2021.

Oscar J. Hilado has been the Chairman of the Board of the Company since 2003. He is also Chairman of the Board of PHI, PPHC and Vice-Chairman of UGC. Mr. Hilado is also an Independent Director and Chairman of the Audit Committee of A. Soriano Corporation, Philex Mining Corporation, Smart Communications, Inc., Rockwell Land Corporation and Roxas Holdings Inc. He is also a Director of Seven Seas Resort and Leisure, Inc. PHINMA Solar Corporation, Digital Telecommunications Philippines, Inc., Manila Cordage Company, Beacon Property Ventures, Inc., Pueblo de Oro Development Corporation, UPPC, Philcement, PHINMA Hospitality, PHINMA Microtel Hotels, Inc., PHINMA Education, AU, COC, UI, UPang, SWU, SJCI, RCI, RCL; and Pamalican Resort, Inc. Mr. Hilado is a Certified Public Accountant with a Bachelor of Science Degree in Commerce from the De La Salle College in Bacolod and a Master's Degree in Business Administration from the Harvard Graduate School of Business. He has been a Director of the Company since 1969 and is also the Chairman of the Executive Committee and Retirement Committee of the Company. He attended the Annual Corporate Governance seminar conducted by SEC-accredited training provider CGBP on October 23, 2020.

Ramon R. del Rosario, Jr. is the President and CEO of PHINMA, Inc. and PHINMA. He is Chairman of the Board of Trustees of PHINMA Education, and the PHINMA Education Schools. He is also President of the Board of Commissioners of IPM, Vice Chairman of PPHC, Chairman of UPPC, of the Siam Cement Group, PHINMA Microtel Hotels, Microtel Hospitality, Inc. and other PHINMA-managed companies. He currently serves as a member of the Board of Directors of The Bank of the Philippine Islands (BPI). He served as Secretary of Finance of the Philippines from 1992 to 1993. He is the Chairman of PBED. He was the Chairman of the Makati Business Club, the Integrity Initiative, National Museum of the Philippines and Ramon Magsaysay Award Foundation. He was selected as the Most Outstanding Student of the Philippines in 1967, one of the TOYM of the Philippines in 1978, the MAP Management Man of the Year in 2010 and received the "Business as a Noble Vocation Award" in November 2018 awarded by the International Christian Union of Business Executives or UNIAPAC at the XXVI UNIAPAC World Congress in Lisbon, Portugal. He is the brother of Mr. Victor J. del Rosario. Mr. del Rosario obtained his BSC-Accounting and AB-Social Sciences degrees (Magna cum Laude) from De La Salle University and Master's degree in Business Administration from the Harvard Business School. He has been a director of the company since 2002. He attended the Annual Corporate Governance seminar conducted by SEC-accredited training provider CGBP on October 23, 2020.

Roberto M. Laviña was Senior Executive Vice President and Chief Operating Officer of the company from July 2012 until April 2021 when he was appointed Board Advisor. Mr. Laviña is currently the Senior Executive Vice President/Chief Operating Officer of PHINMA, Inc. and is a Member of the Board of all the companies in the PHINMA Group which include companies in education, hotels, steel roofing, property development, cement distribution, and insurance brokerage. He holds a Bachelor of Arts degree in Economics from Ateneo de Manila University and obtained his Master's degree in Business Management from the Asian Institute of Management. He also finished the Program for Management Development at Harvard University. He was elected as Director of the Company on May 20, 2004. He recently attended the Annual Corporate Governance Seminar conducted by SEC-accredited training provider CGBP on October 23, 2020.

Meliton B. Salazar, Jr., was appointed Executive Vice President for Education and Chief Operations Officer of the company on April 14, 2021. He is the President and Chief Executive Officer of PHINMA Education and also a Senior Vice President of PHINMA, from year 2003 to present. He carried out several management positions at the Ateneo De Manila University, the latest of which as being the Vice Chairman, Board of Trustee of the said University. He is a Co-Founder and President of the PBED and a member and private sector representative, Governing Board of the Philippine Statistical Research and Training Institute. He is a member of the Board of Directors of PHILAM Asset Management, Inc. and PHINMA Saytanar Education Company, Ltd. He was the President and Chief Executive Officer of STI International, Inc., iAcademy and STI, Inc. from 2001 to 2003. In addition, he was part of the academe, when he became part-time Associate Professor at the School of Management and at the School of Social Sciences of the Ateneo de Manila University from 2007 to 2010 and Parttime Lecturer from 1998 to 1992, with the Department of Economics, Department of English and Department of Math also at the Ateneo de Manila University. He was a part-time Lecturer at the Economics Department of Assumption College and Associate Professor at the Asian Institute of Management. He was a Consultant at the Institute of Environmental Studies and United National Environmental Programme Project from 1997-1998. He became a Research Assistant to both Dr. James Mittelman, Chair of the Department of Regional and Comparative Studies and Dr. Steven Arnold, Director of the International Development Program at the American University from 1993-1995. In 1991, he was an Assistant of Dr. Henry Schwalbenberg, Director of the 16 Program in

International Political Economy and Development of Fordham University. Mr. Salazar obtained his B.S. Management Engineering Degree at the Ateneo de Manila University in 1987. After 5 years, he obtained his Master of Arts Degree on International Political Economy and Development from Fordham University, Bronx, New York USA and Doctor of Philosophy on International Relations, major in International Development and Development Management School of Internal Service at The American University, Washington, D.C., 8 years thereafter.

Eduardo A. Sahagun, was appointed Executive Vice President for Construction Materials on April 14, 2021. He is the President and CEO of UGC, Philcement and PHINMA Solar. He has held the roles for these companies, since 2017. He is also a director of UGC, Philcement, PHINMA Solar, PPHC, T-O Insurance Brokers, Inc., PHINMA Renewable Energy Corporation and a member of the Board of Trustees of PHINMA Foundation, Inc. Concurrently, he is an Independent Director of Philippine Savings Bank and Chairman of Edcommerce Corporation. He was previously a Director and President of Holcim Philippines, Inc., a Director of Holcim Philippines Manufacturing Corporation and Chairman of Holcim Mining and Development Corporation. In 1994, he obtained his graduate degree in Management Science from Arthur D. Little Management Education Institute (now called Hult International Business School) in Cambridge, MA, USA. Prior to that year, he obtained his Masters in Business Administration Degree from the Ateneo Graduate School of Business in the Philippines. He also attended the Senior Management Program, Senior Leadership Program and Managing Change Program at the Institute for Management Development, based in Lausanne, Switzerland. In 1978, he obtained his Bachelor of Science in Commerce degree, major in Accounting, from Holy Angel University.

Pythagoras L. Brion, Jr. was appointed as Senior Vice President on July 27, 2012. He concurrently serves as Executive Vice President and Group CFO of PHINMA, Inc. He serves in the Board of Directors of SJCI, RCI, PHINMA Hospitality Corporation, PHINMA Solar Corporation and PHINMA PRISM Property Development Inc. He received his Bachelor of Science in Management Engineering degree from Ateneo de Manila University and holds a Master in Business Administration degree from the University of the Philippines.

Regina B. Alvarez was appointed Senior Vice President - Finance of the company since April 2005. Ms. Alvarez is concurrently Senior Vice President – Deputy Group CFO of PHINMA, Inc. and holds various executive posts in PHINMA-managed companies. She is a director of AU, COC, SWU and T-O Insurance Brokers, Inc. Ms. Alvarez is a Certified Public Accountant and holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines and a Master's degree in Business Administration from the Wharton School of Business.

Nanette P. Villalobos was appointed Vice President – Treasurer in January 2019. She was previously the Treasurer for PHEN from 2018 to 2019 and Treasurer for South Luzon Thermal Energy Corporation from 2015-2019. Currently, she also holds the following positions: Vice President and Treasurer for PHINMA, Inc., Assistant Treasurer for PPHC, Assistant Treasurer for PHINMA Education and Treasurer for PHINMA Solar. She obtained her degree in Bachelor of Science in Accountancy from University of the East. She attended the Basic Management Program at the Asian Institute of Management in 2008. She took up a Certification study for Macro Economics at University of Asia and the Pacific in 2014. She is also a member of the Fund Managers' Association of the Philippines.

Edmund Alan A. Qua Hiansen was appointed Vice President on April 14, 2021 and is also the Investor Relations Officer since April 2019. He is also Vice President of PHINMA Foundation, Inc. He is also the Treasurer of Asian Breast Center, Inc. and Chairman of Dream Big Pilipinas Futbol Association. He holds a Bachelor of Science degree in Finance from Butler University in Indianapolis, Indiana, USA where he was recognized as one of the Top 100 Outstanding Students in 2005 and a Master's degree in Global Finance from HKUST-NYU Stern.

Annabelle S. Guzman joined the company in September 2020 and was appointed Vice President Finance and Controller on April 14, 2021. She is a Certified Public Accountant and holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines. Prior to joining the Company, she has been working in the financial services industry, as VP - Fund Administration Manager with JP Morgan Chase & Co and as Finance Head with Pepper Financial Services.

Danielle R. del Rosario was appointed as Chief Risk Officer on November 5, 2020 and Vice President - Director for Strategy in April 2019 wherein she concurrently heads group efforts on Sustainability, Strategy & Risk. She was previously Assistant Vice President - Head of Marketing and Sales for PHINMA Energy from 2016 to 2019, and Head of Corporate Affairs from 2013 to 2016 leading Corporate Communications, CSR, Business Resiliency, and the Integrity Program for the Energy group. She joined PHINMA in 2011 as Program Director for the PHINMA Foundation. Formerly with the banking industry, she specialized in Investments and Portfolio Management with BDO Private Bank from 2007 to 2009 and Citibank, N.A. from 2003 to 2007. She obtained her Bachelor of Science in Business Administration and Accountancy from the University of the Philippines Diliman as Cum Laude, and a Master in Business Administration from the Regis University joint program with the Ateneo Graduate School of Business with highest academic distinction. She is a member of the Makati Business Club and Parima (Pan-Asia Risk & Insurance Management Association).

Rolando D. Soliven was elected Compliance Officer on April 14, 2021 and is concurrently Vice President – Group Corporate Assurance since April 2019. He has been an officer of the company since March 2012. He holds a Bachelor of Science degree in Accountancy from San Beda College. He has also completed the Enterprise Wide Risk Management Program and the Business Analytics Program of the Asian Institute of Management. He is a Certified Public Accountant (“CPA”), Certified Internal Auditor, Certified Risk Management Assurance, Certified Risk Manager, and Certified Fraud Examiner. He is a member of the Institute of Internal Auditors (“IIA”) and the Association of Certified Fraud Examiners.

Peter Angelo V. Perfecto was appointed Vice President - Director for Public Affairs in April 2019. Former Executive Director of the Makati Business Club from 2011 to 2018, he concurrently chairs the Oxfam Pilipinas Board as well as its Country Governance Group, sits as private sector representative of the People's Survival Fund and occupies a seat on the Executive Committee of the Bishops-Businessmen's Conference for Human Development. He graduated Management Engineering at the Ateneo de Manila University in 1987.

Cecille B. Arenillo was appointed Vice President - Treasury in May 2007. She holds a Bachelor of Science in Commerce degree major in Accounting from the University of Santo Tomas and is a Certified Public Accountant. She also holds the position of Treasurer in UGC and T-O Insurance Brokers, Inc. She served as the company's Compliance Officer since August 1, 2009 until April 14, 2021 and is also Group Compliance Officer of PHINMA, Inc.

Rizalina P. Andrada²⁹ was appointed Vice President since March 2012. She is a Certified Public Accountant with a Bachelor of Science in Commerce degree major in Accounting from the Polytechnic University of the Philippines. She attended the Management Development Program at the Asian Institute of Management in 2014.

Joel S. Llanillo, was appointed Data Protection Officer on April 14, 2021. He is the Corporate Secretary for several PHINMA subsidiaries and associates such as: PHINMA Property Development Corporation, PHINMA Prism Development Corporation, T-O Insurance Brokers, Inc., PHINMA Foundation, Inc. and PHINMA Plaza Condominium Corporation. He received his Bachelor of Arts in Political Science and Bachelor of Laws from the University of the Philippines. He completed the Trust Operations and Investment Management Course from the Trust Institute Foundation of the Philippines in 2015. He is also a member of the Tax Management Association of the Philippines.

Grace M. Purisima joined the company in 2011 and was elected Assistant Treasurer in April 2019. She is also the Assistant Treasurer of PHINMA, Inc. She completed the Ateneo-BAP Treasury Certification Program in 2012. She holds a Bachelor of Arts degree in Management Economics from Ateneo de Manila University.

Troy A. Luna was elected as the Corporate Secretary in March 2017. He also acts as Corporate Secretary of PHINMA, Inc., and other PHINMA-related corporations such as the AU, COC, UPang, UI, SWU, SJCI, RC, RCL, UCL, PHINMA Education, Asian Plaza, Inc., UGC, PhilCement, ABCIC, Toon City Animation, Inc. and other unrelated companies such as TCL Sun, Inc., Newminco Pacific Mining Corporation and Philippine Business for Education, Inc., and a Trustee of the Licensing Executives Society of the Philippines. He was elected as Director of the Company on November 5, 2020 until April 2021. He holds a Liberal Arts in Economics degree from the De

²⁹ Rizalina P. Andrada, the Company's Vice President – Finance, has retired effective July 1, 2021.

La Salle University. He is a lawyer by profession, having earned his Bachelor of Laws degree from the Ateneo de Manila University School of Law in 1986 and was admitted to the Philippine Bar in 1987. He is a Senior and name Partner of the Migallos & Luna Law Offices. He attended the Annual Corporate Governance seminar conducted by SEC-accredited training provider CGBP on October 23, 2020.

Ma. Concepcion Z. Sandoval was elected Assistant Corporate Secretary in March 2017. She also acts as Assistant Corporate Secretary of PHINMA, Inc. and other PHINMA-related companies such as UI, PHINMA Education, ABCIC, Asian Plaza, Inc. and unrelated companies such as TCL Sun, Inc. and Philippine Business for Education, Inc. She earned her Bachelor of Laws degree from San Beda College of Law in 2006 and was admitted to the Philippine Bar in 2007. She holds a Bachelor of Arts major in Legal Management degree from the University of Sto. Tomas. She is a Senior Associate of the Migallos & Luna Law Offices.

Significant Employees

Other than the Directors and Officers identified in the item on Directors and Executive Officers in this Prospectus, there are no other employees of the Company who may have significant influence in the Company's major and/or strategic planning and decision-making.

Family Relationships

Ramon R. del Rosario, Jr. is the brother of Mr. Victor J. del Rosario and the father of Ms. Danielle R. del Rosario. Other than the foregoing family relationships, none of the directors, executive officers, or persons nominated to be elected to PHINMA's Board are related up to the fourth civil degree, either by affinity or consanguinity.

Involvement in Certain Legal Proceedings

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, executive officers, or controlling persons of the Company have in the five-year period prior to the date of this Prospectus:

- 1) had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to 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

have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and such judgment having not been reversed, suspended, or vacated.

XVII. EXECUTIVE COMPENSATION

The Directors are paid a bonus based on the net income of the Company for each calendar year. The compensation received by the officers who are not included in the Board of Directors of the Company represents salaries and bonuses. For the calendar years ended December 2020 and 2019, the total salaries, allowances and

bonuses paid by the Company to the directors and executive officers as well as estimated compensation of directors and executive officers for CY 2021 are as follows:

TOTAL	Year	Salary	Bonus	Others
CEO and the Top 4: Ramon R. del Rosario, Jr. - Vice Chairman and President and CEO Roberto M. Laviña - Senior Executive Vice President and COO Victor J. del Rosario - Executive Vice President Regina B. Alvarez - Senior Vice President and CFO Pythagoras L. Brion, Jr. - Senior Vice President	2021 (estimate) 2020 2019	23,241,529 23,241,829 14,365,266	450,677 21,845,318 11,661,820	660,000 840,000 1,420,000
All other Directors and Officers as a group unnamed	2021 (estimate) 2020 2019	15,712,162 18,986,162 24,490,870	1,493,193 30,252,684 14,053,248	2,664,000 3,184,000 2,474,000

Compensation of Directors

The Directors receive allowances, per diem and bonus based on a percentage of the net income of the Company for each calendar year. There are no other existing arrangements/agreements to which said Directors are to be compensated during the last completed calendar year and the ensuing year.

Employment Contracts and Termination of Employment and Change-in Control Arrangements

There is no existing contract between the Company, the executive officers or any significant employee. Under Article VI, Section 1 of the Company's By-Laws, the Officers of the Corporation shall hold office for one (1) year and until their successors are chosen and qualified in their stead. Any Officer elected or appointed by the majority of the Board of Directors may be removed by the affirmative vote of the Board of Directors.

Compensatory Plan or Arrangement

The compensation received by Officers who are not members of the Board of Directors of the Company represents salaries, bonuses and other benefits.

All permanent and regular employees of the Company and its subsidiaries are covered by PHINMA Group retirement plan (the "Plan"). The Plan provides benefits upon normal retirement beginning at age sixty (60), early retirement beginning at age fifty (50) with completion of at least ten (10) years of service, voluntary separation beginning upon completion of at least ten (10) years of service, total and physical disability, death and involuntary separation. The benefits are based on the employee's final monthly basic salary and length of service.

The Company also provides a defined contribution plan that covers all regular full-time employees under which the Company pays fixed contributions based on the percentage contributed by the employees from their monthly salaries.

Warrants and Options Outstanding

There are no outstanding warrants or option held by Directors and officers nor are there any adjustments in the exercise price of said warrants or options.

XVIII. SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN RECORD AND BENEFICIAL OWNERS

Security Ownership of Certain Record and Beneficial Owners

The table below shows persons or groups known to PHINMA as of June 30, 2021 to be directly or indirectly the record or beneficial owners of more than 5% of the company's voting securities:

Title of Class	Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	# of Shares held	% Ownership
Common	Phil. Investment Mgmt.(PHINMA), Inc. ³⁰ Level 12, PHINMA Plaza, No. 39 Plaza Drive Rockwell Center, Makati City <i>Stockholder</i>	Phil. Investment Mgmt. (PHINMA), Inc. which is also the record owner.	Filipino	171,850,150	63.12%
		Mr. Oscar J. Hilado, Chairman of Board, is the person appointed to exercise voting power.			
Common	Philippine Depository and Trust Corporation ³¹ MSE Bldg. Ayala Avenue Makati City <i>Stockholder</i>	Various	Filipino	50,489,205	18.54%
Common	Philippine Depository and Trust Corporation MSE Bldg. Ayala Avenue Makati City <i>Stockholder</i>	Various	Foreign	14,360,536	5.27%

Security Ownership of Directors and Management

The table below shows the securities beneficially owned by all directors, nominees and executive officers of PHINMA as of June 30, 2021:

Title of Class	Name of Beneficial Owner	No. of shares	Nature of Beneficial Ownership	Citizenship	% of Ownership
Common	Oscar J. Hilado	100,000	Direct	Filipino	0.037%
		1,411,685	Indirect		0.518%
Common	Ramon R. del Rosario, Jr.	82,877	Direct	Filipino	0.030%
		3,776,984	Indirect		1.387%
		714,139	Indirect		0.262%
Common	Magdaleno B. Albarracin,	10,052,959	Direct	Filipino	3.692%

³⁰ PHI's principal stockholders are: 1) EMAR Corporation (44.28%), a Filipino company principally owned by the immediate family of the late Amb. Ramon V. del Rosario, Sr., 2) Mariposa Properties, Inc. (28.62%), which is owned by Mr. Oscar J. Hilado and the members of his immediate family, and 3) Dr. Magdaleno B. Albarracin, Jr., who owns 13.61% of PHI's outstanding shares. The Del Rosario and Hilado Families are expected to direct the voting of the shares held by EMAR Corp. and Mariposa Properties, Inc.

³¹ PDTC is a wholly-owned subsidiary of Philippine Central Depository, Inc., ("PCD") which acts as trustee-nominee for all shares lodged in the PCD system. It was formerly known as PCD Nominee Corporation. The beneficial owners of such shares are PCD participants who hold the shares on their behalf or in behalf of their clients.

	Jr.				
Common	Victor J. del Rosario	1,069,245	Direct	Filipino	0.393%
		714,138	Indirect	Filipino	0.262%
Common	Jose L. Cuisia, Jr.	10,927	Direct	Filipino	0.004%
Common	Eduardo A. Sahagun	1	Direct	Filipino	0.000%
Common	Meliton B. Salazar, Jr.	1	Direct	Filipino	0.000%
Common	Edgar O. Chua	1	Direct	Filipino	0.000%
Common	Rizalina G. Mantaring	1	Direct	Filipino	0.000%
Common	Juan B. Santos	1	Direct	Filipino	0.000%
Common	Lilia B. de Lima	1	Direct	Filipino	0.000%
Common	Roberto M. Laviña	1,126,206	Direct	Filipino	0.414%
Common	Pythagoras L. Brion, Jr.	326,446	Direct	Filipino	0.120%
Common	Regina B. Alvarez	442,571	Direct	Filipino	0.163%
Common	Nanette P. Villalobos	21,450	Direct	Filipino	0.008%
Common	Edmund Alan A. Qua Hiansen	-	Direct	Filipino	0.000%
Common	Annabelle S. Guzman	-	Direct	Filipino	0.000%
Common	Danielle R. del Rosario	68,200	Direct	Filipino	0.025%
		30	Indirect		0.000%
Common	Rolando D. Soliven	-	Direct	Filipino	0.000%
Common	Peter V. Perfecto	9,000	Direct	Filipino	0.003%
Common	Cecille B. Arenillo	21,526	Direct	Filipino	0.008%
Common	Rizalina P. Andrada ³²	315	Direct	Filipino	0.000%
Common	Joel S. Llanillo	-	Direct	Filipino	0.000%
Common	Grace M. Purisima	200	Direct	Filipino	0.000%
Common	Troy A. Luna	-	Direct	Filipino	0.000%
Common	Ma. Concepcion Z. Sandoval	-	Direct	Filipino	0.000%
Directors and Officers as a Group		19,948,904			7.326%

Voting Trust Holder of 5% or More

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.

Changes in Control

As of the date of this Prospectus, there are no arrangements that may result in a change in control of the Company, nor has there been any change in control since the beginning of the last calendar year.

³² Retired effective July 1, 2021.

XIX. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individual or corporate entities.

The Company, in the regular conduct of business, has entered into transactions consisting of reimbursement of expenses, office space rentals, consultancy fees and grant of non-interest bearing advances with associates and other related parties. Transactions entered into with related parties are at arm's length and have terms similar to the transactions entered into with third parties.

The significant related party transactions entered into by the Company with its associates and entities under common control and the amounts included in the consolidated financial statements with respect to such transactions follow:

March 31, 2021 (Unaudited)						
Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties	Terms	Conditions
<u>Ultimate Parent</u>						
PHINMA Inc.	Share in expenses, management fees and bonus	₱53,384	₱99,807	₱2,238	Noninterest-bearing	Unsecured, no impairment
<u>Associates</u>						
PPHC	Share in expenses	-	-	1,743	Noninterest-bearing	Unsecured, no impairment
<u>Entities Under Common Control</u>						
T-O Insurance Brokers, Inc., MDC, PHINMA Foundation, Inc. PHINMA Prism, PHINMA Plaza Condo	Share in expenses	90,292	52,133	7,641	Noninterest-bearing	Unsecured, no impairment
UPPC	Consultancy fee	850	-	2,085	Noninterest-bearing	Unsecured, no impairment
PTC Myanmar, PHINMA Saytanar Education Company Limited, PT Ind Phil Management, Yayasan Triputra Persada	Grant of noninterest bearing advances	16,366	12,714	5,110	Noninterest-bearing	Unsecured, no impairment
			₱164,654	₱18,817		

2020

Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties	Terms	Conditions
<u>Ultimate Parent</u>						
PHI	Share in expenses, management fees and bonus	₱165,140	₱98,265	₱1,495	Noninterest-bearing	Unsecured, no impairment
<u>Associates</u>						
PPHC	Share in expenses	1,126	7	1,743	Noninterest-bearing	Unsecured, no impairment
<u>Other related parties</u>						
T-O Ins. MDC, PFI PHINMA Prism, PFI, MDC	Share in expenses	11,190	52,838	2,514	Noninterest-bearing	Unsecured, no impairment
PHINMA Prism	Grant of interest-bearing advances	5,140	-	5,140	91 days , 6.1516%	Unsecured, no impairment
Aznar Ent. CDCC, PTC Myanmar	Grant of noninterest-bearing advances	599	-	164,763	Noninterest-bearing	Unsecured, no impairment
UPPC	Consultancy Fee	3,458	-	1,291	Noninterest-bearing	Unsecured, no impairment
		₱151,110		₱176,946		

2019						
Company	Nature	Amount/ Volume	Amount Due to Related Parties	Amount Due from Related Parties	Terms	Conditions
<u>Ultimate Parent</u> PHI	Share in expenses, management fees and bonus	₱302,560	₱40,282	₱2,751	Noninterest-bearing	Unsecured, no impairment
<u>Associates</u> PPHC, PHEN, PPG	Share in expenses	344,832	3	1,308	Noninterest-bearing	Unsecured, no impairment
Coral Way, PHI,	Dividend income	3,805	-	-	Noninterest-bearing	Unsecured, no impairment
<u>Other related parties</u> PHINMA Power, T-O Ins. CIP II, PFI, PHINMA Renewable, MDC	Share in expenses	39,019	52,242	3,313	Noninterest-bearing	Unsecured, no impairment
CDCC, Aznar, PSEd, PTC Myanmar UPPC	Grant of noninterest-bearing advances Consultancy Fee	5,545 3,458	16 -	169,297 1,132	Noninterest-bearing Noninterest-bearing	Unsecured, no impairment Unsecured, no impairment
		₱92,543		₱177,801		

In last two years, the Company was not a party in any transaction in which a Director or Executive Officer of the Company, any nominee for election as a director, any security holder owning more than 10% of the Company's issued and outstanding shares and/or any member of his immediate family had a material interest thereon, except as disclosed below.

The Company has a management contract with PHINMA, Inc. up to June 30, 2024 renewable thereafter upon mutual agreement. Under this contract, PHINMA has a general management authority with the corresponding responsibility over all operations and personnel of the Company including planning, direction, and supervision of finance and other business activities of the Company. As of March 31, 2021, PHINMA, Inc. owns 169,171,450 shares, which represent 62.12% of total outstanding shares of stock of the Company.

Material related party transactions are reviewed by the Audit and Related Party Committee of the Board. The Company have approval requirements and limits on the amount and extent of related party transactions in compliance with the requirements under Revised Securities Regulation Code ("SRC") Rule 68.

XX. INTERESTS OF NAMED EXPERTS

Legal Matters

Certain Philippine legal matters in connection with the Offer have been passed upon for the Company by Migallos & Luna Law Offices, the independent legal counsel of the Company, and for the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners by SyCip Salazar Hernandez & Gatmaitan.

The aforesaid counsels have no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company, in accordance with the standards of independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines. The legal counsels will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants, or rights thereto) pursuant to or in connection with the Offer.

The independent counsel that rendered the opinion on Tax and Legal Matters is Agcaoili & Associates.

Independent Auditors

As of June 30, 2021, SyCip, Gorres, Velayo and Company (SGV) has been the Company's Independent Auditors for the last five (5) years. The same auditing firm has been endorsed by the Audit Committee to the Board. The Board, in turn, approved the endorsement and will nominate the appointment of the said auditing firm for the stockholders' approval at the scheduled Annual Meeting of Stockholders. The said auditing firm has accepted the Company's invitation to stand for re-election this year.

SGV has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. SGV will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants, or rights thereto) pursuant to or in connection with the Offer.

Audit services of SGV for the calendar year ended December 31, 2020 included the audit of the parent company and consolidated financial statements of the Company.

The Company is in compliance with SRC Rule 68, paragraph 3(b) (ix) requiring the rotation of external auditors or engagement partners who have been engaged by the Company for a period of five (5) consecutive years and the mandatory two-year cooling-off period for the re- engagement of the same signing partner or individual auditor. The engagement partner who conducted the audit for Calendar Year 2020 is Ms. Belinda T. Beng Hui, a SEC accredited auditing partner of SGV. This is the third year of Ms. Beng Hui as audit partner of the company. The members of the Audit Committee are the following:

- | | | |
|----|----------------------------------|------------|
| 1. | Mr. Juan B. Santos | - Chairman |
| 2. | Ms. Rizalina G. Mantaring | - Member |
| 3. | Dr. Magdalena B. Albarracin, Jr. | - Member |

The external auditors for the current year and for the most recently completed calendar year are expected to be present at the shareholders' meeting, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions. The Audit Committee recommended SGV with Ms. Belinda T. Beng Hui as partner as the Independent Auditor for Calendar Year 2021.

Audit and Audit-Related Fees

The Company paid or accrued the following fees for professional services rendered by SGV and Co. for the past three (3) years:

Year	Audit Fees	Tax Fees	All Other Fees
2020	3,285,000.00	-	811,500.00
2019	3,285,000.00	-	1,142,857.00
2018	3,650,000.00	-	-

The above audit fees are for the audit of the Company's annual financial statements or services normally provided in connection with statutory and regulatory filings or engagements for CY 2020, 2019 and 2018.

Tax Fees

The Company did not engage SGV & Co. for tax advisory services for the years ended December 31, 2020, 2019 and 2018 thus fees amounting to nil, respectively. All Other Fees represent various SGV engagements like valuation of options, organizational optimization study and transfer pricing.

The Audit Committee discusses with the external auditor before the audit commences, the nature and scope of the audit. The Committee also approves audit plans, audit fees, scope and frequency before the conduct of the external audit. It evaluates and determines non-audit work by the external auditor and reviews the non-audit fees paid to the external auditor, both in relation to their significance to the audit and in relation to the Company's total expenditure on consultancy.

The Audit Committee, the Board of Directors and the stockholders of PHINMA approved the engagement of SGV as the Company's external auditor.

XXI. CORPORATE GOVERNANCE

Compliance Policy and Evaluation System

In accordance with the State's policy to actively promote corporate governance reforms aimed to raise investor confidence, develop capital market and help achieve high sustained growth for the corporate sector and the economy, the Board of Directors, Management, and Employees of PHINMA commit to the principles and best practices contained in the Manual on Good Corporate Governance approved in August 2002 and as amended in March 2004, February 2008, March 2011 and June 2014 (the "Manual"). The Manual was further amended to substantially adopt the 2016 Code of Corporate Governance for Publicly-Listed Companies in May 2017 and March 2018. Relevant provisions from the 2019 Revised Corporation Code of the Philippines (R.A. 11232) were incorporated into the Manual in October 2020.

The Board established a Board Assessment Policy and adopted an annual self-assessment performance evaluation process with a five-point rating scale (1-Excellent to 5-Poor) to score the performance of the Board as a body, the different committees, the individual directors, the Chief Executive Officer and the Chairman of the Board. The following are the key areas of governance in these assessments based on the duties and responsibilities listed in the Manual on Corporate Governance, Charters and relevant company policies and as adopted from the SEC Code of Corporate Governance for Listed Companies and the Revised Corporation Code:

- Composition and Quality of the Board
- Conduct of Board Meetings
- Duties and Responsibilities

The Corporate Governance and Nominations Committee consolidates and presents the summary of responses at the Board meeting. The assessment templates are improved every year since its first implementation in 2018 and action plans are developed with the objective of improving board performance.

In 2015, the company implemented the Balanced Scorecard system in assessing the annual performance of its employees. The COO, who is also a member of the Board, is in charge of assessing the performance of the Compliance Officer, Chief Risk Officer and the Chief Audit Executive, using the Balanced Scorecard system, who then recommends the performance assessment to the CEO.

Measures Undertaken to Comply with Leading Practices on Good Corporate Governance

PHINMA is committed to the principles and best practices contained in its Manual on Good Corporate Governance and acknowledge that the same shall guide the attainment of the Company's corporate goals. The Manual on Good Corporate Governance and Code of Conduct, supported by the company's policies institutionalize the principles of good corporate governance in the entire organization. The Manual on Good Corporate Governance and company's policies are regularly reviewed and revised as needed to adopt to new regulatory issuances from the SEC and PSE.

To ensure adherence to corporate principles and best practices, the Board established committees with the performance standards contained in their charters as duly approved by the Board. The Corporate Governance and Nominations Committee is assisted by the Compliance Officer, in its duty to oversee the implementation of the corporate governance framework and periodically reviews 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.

The company provides annual corporate governance seminar by SEC-accredited providers to its directors and officers. In 2020, an online seminar on Business Continuity Planning was conducted which was deemed timely and relevant to their training needs and the business environment.

The company maintains a public website that is compliant to the SEC-prescribed template and kept up to date with the latest corporate disclosure reports accessible to shareholders and stakeholders. On an annual basis, the company submits its Integrated Annual Corporate Governance Report ("I-ACGR") to the SEC and PSE. The report

attests that the company is substantially compliant with the provisions of its corporate governance manual. The I-ACGR is uploaded to the company's website for transparency and disclosure.

Pursuant to its commitment to good governance, the Company shall continue to review and strengthen its policies, giving due consideration to developments in the area of corporate governance, which it determines to be in the best interests of the Company and its stockholders.

Compliance Monitoring and Improving Corporate Governance

The Compliance Officer and the Internal Auditor monitor the Corporation's compliance with the Manual and the timely submission of reports and disclosures to both SEC and PSE. In addition, the SEC and PSE websites are constantly monitored for relevant circulars or memorandums affecting, improving, and updating the corporate governance of the Corporation. As appropriate, the Manual and relevant policies are promptly amended and circulated for implementation.

As a result of the Compliance Program, there is effective management of the relationships between shareholders, stakeholders, directors, creditors, government, and employees. Furthermore, the internal workings of the Corporation are directed and controlled leading to corporate integrity, transparency, and enhanced corporate performance, a dominant theme of Good Corporate Governance.

Deviations from the Company's Manual of Corporate Governance

As of this report, there are no deviations from the Manual on Good Corporate Governance and as such, there were also no incidents where sanctions were imposed.

XXII. REGULATORY FRAMEWORK

The statements herein are based on the laws in force as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The write-up set forth below does not represent to be a comprehensive description of all of the regulatory and environmental considerations that may be relevant to the Company, its subsidiaries, and the offering.

The Group adheres to the various statutes and regulations that affect its activities and the various businesses of each of its subsidiaries and affiliates. Below is a discussion of the relevant laws, rules and regulations applicable to the Group's businesses.

RELEVANT REGULATIONS APPLICABLE IN GENERAL

Revised Corporation Code

Republic Act No. 11232, also known as the Revised Corporation Code, was signed into law on February 20, 2019 and took effect on February 23, 2019, following the completion of its publication in the Manila Bulletin and the Business Mirror.

The Revised Corporation Code dispensed with the absolute requirement of having a minimum of five (5) incorporators in the formation of Corporations, and allowed for the establishment of a One-Person Corporation composed of a single shareholder who may be a natural person, trust, or an estate. The maximum number of directors is retained at 15 directors. For trustees, however, the Revised Corporation Code has removed the maximum number which can be elected. Some of the changes in the qualification and term of the board of director or trustees include the removal of the residency requirement for a majority of the board and the extension of the term of trustees from 1 year to 3 years

The requirement that 25% of the authorized capital stock be paid for purposes of incorporation as previously mandated under Section 13 of the Corporation Code was removed, but the 25%-25% requirement in the Corporation Code was retained in cases of increase in the authorized capital stock of a corporation.

Under the Revised Corporation Code, corporations are now granted perpetual existence, unless the articles of incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Code, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies the Philippine SEC that it elects to retain its specific corporate term under its current Articles of Incorporation.

In lieu of the expansion of application of the system of Independent Directors under the SRC, the Revised Corporation Code has classified the following corporations vested with public interest, whose board shall have independent directors constituting at least 20% of such board:

- a. Publicly-held corporations under the SRC whose securities are registered with the SEC, corporations listed with an exchange or with assets of at least ₱50,000,000.00 and having 200 or more holders of shares, each holding at least 100 shares of a class of its equity shares;
- b. Banks and quasi-banks, non-stock savings and loan associations, pawnshops, corporations engaged in money service business, preneed, trust and insurance companies, and other financial intermediaries; and
- c. Other corporations engaged in businesses vested with public interest similar to the above, as may be determined by the SEC.

A corporation vested with public interest must submit to its shareholders and to the SEC an annual report of the total compensation of each of its directors or trustees, and a director or trustee appraisal or performance report and the standards or criteria used to assess each director or trustee.

Material contracts between the Corporation and its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds (2/3) of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same.

The right of stockholders to vote in the election of directors or trustees, or in shareholders' meetings, may now be done through remote communication or in absentia if authorized by the corporate by-laws. However, as to corporations vested with public interest, these votes are deemed available, even if not expressly stated in the corporate by-laws. The shareholders who participate through remote communication or in absentia are deemed present for purposes of quorum. When attendance, participation, and voting are allowed by remote communication or in absentia, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option.

The Revised Corporation Code mandates a corporation vested with public interest to appoint a Compliance Officer, in addition to the mandatory positions of President, Treasurer, and Corporate Secretary. The law now also expressly requires that the Treasurer be a resident of the Philippines.

The election or non-holding of election of the directors, trustees, and officers of the corporation is required to be reported to the SEC, which is empowered under certain conditions to summarily order that an election be held.

The Revised Corporation Code empowers the SEC, unilaterally or upon a verified complaint, and after due notice and hearing, to remove members of the Board of Directors/Trustees who are determined to be disqualified to be elected to or to hold such position.

When there is a vacancy in the Office of the Director/Trustee which prevents the remaining directors from constituting a quorum and emergency action is required to prevent irreparable loss or damage to the corporation, the remaining directors are allowed to temporarily fill the vacancy from among the officers of the corporation, thereby constituting an emergency board, subject to certain requirements.

In case of transfer of shares of listed companies, the Philippine SEC may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the Philippine SEC.

Finally, the Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

The Philippine Competition Act

Republic Act No. 10667, otherwise known as the Philippine Competition Act, was signed into law on July 21, 2015 and took effect on August 8, 2015, and aims to codify anti-trust laws in the Philippines provide the competition framework in the country. The Philippine Competition Act was enacted to provide free and fair competition in trade, industry, and all commercial economic activities.

To implement its objectives, the Philippine Competition Act provides for the creation of a Philippine Competition Commission ("PCC"), an independent quasi-judicial agency to be composed of a Chairperson and four (4) commissioners. Among the PCC's powers are to: conduct investigations, issue subpoenas, conduct administrative

proceedings, and impose administrative fines and penalties. To conduct a search and seizure, the PCC must apply for a warrant with the relevant court.

The Philippine Competition Act prohibits anti-competitive agreements between or among competitors, and mergers and acquisitions which have the object or effect of substantially preventing, restricting, or lessening competition. It also prohibits practices which involve abuse of dominant position, such as selling goods or services below cost to drive out competition, imposing barriers to entry or prevent competitors from growing, and setting prices or terms that discriminate unreasonably between customers or sellers of the same goods, subject to exceptions. The Philippine Competition Act also introduced the pre-notification regime for mergers and acquisitions, which requires covered transactions to be notified to the PCC for its approval.

Violations of the Philippine Competition Act and its Implementing Rules and Regulations (IRR) carry administrative and criminal penalties. A transaction that meets the thresholds set forth in the latest applicable issuance of the PCC and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of 1 to 5% of the value of the transaction. Criminal penalties for entities that enter into these defined anti-competitive agreements include: (i) a fine of not less than ₱50.0 million but not more than ₱250.0 million; and (ii) imprisonment for two to seven years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of ₱100.0 million to ₱250.0 million may be imposed on entities found violating prohibitions against anti-competitive agreements and abuse of dominant position. Treble damages may be imposed by the PCC or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities.

On September 15, 2017, the PCC published the 2017 Rules of Procedure (“Rules”) which apply to investigations, hearings, and proceedings of the PCC, except to matters involving mergers and acquisitions unless otherwise provided. It prescribes procedures for fact-finding or preliminary inquiry and full administrative investigations by the PCC. The Rules also include non-adversarial remedies such as the issuance of binding rulings, show cause orders, and consent orders.

On September 10, 2019, the Supreme Court of the Philippines approved the Rules on Administrative Search and Inspection under the Philippine Competition Act. The rules govern the application, issuance, and enforcement of inspection orders for administrative investigations of alleged violations of the Philippine Competition Act. Inspection orders will allow the PCC and its deputized agents to enter, search, and inspect business premises, offices, land, and vehicles and to examine, copy, photograph, record, or print information in order to prevent their removal, concealment, tampering with, or destruction.

In line with the government's continuing efforts to improve consumer welfare and market efficiency, the National Economic and Development Authority (“NEDA”) and the PCC issued Joint Memorandum Circular No. 001-20 (“NEDA-PCC Joint MC No. 001-20”), on July 30, 2020. The NEDA-PCC Joint MC No. 001-20 was issued to prescribe the guidelines on the adoption and implementation of the National Competition Policy (“NCP”), which aims to guide the design of government interventions to ensure the economic recovery of small business players and MSMEs in the new normal, and to foster a culture of competition.

Under NEDA-PCC Joint MC No. 001-20, all government agencies must adopt and be guided by the following key elements of the NCP: (1) pro-competitive policies and government interventions, (2) competitive neutrality, and (3) enforcement of competition-related laws and issuances.

In view of these key elements, government agencies shall ensure that all policies, laws, rules and regulations, issuances, and other interventions shall promote market efficiency and enhancement of consumer welfare, and shall not distort competition by creating barriers to entry, promoting collusive market outcomes. Further, government-owned or -controlled corporations (“GOCCs”) shall not enjoy net competitive advantages or be subjected to disadvantages over private sector businesses simply by virtue of public sector ownership, unless the greater public interest will be served and there is lack of commercial viability. Lastly, all government agencies shall uphold the original and primary jurisdiction of the PCC over the enforcement and implementation of the provisions of the PCA.

Foreign Investments Act of 1991

Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991 (“FIA”), liberalized the entry of foreign investment into the Philippines. Under the FIA, in domestic market enterprises, foreigners can own as much as 100% equity except in areas specified in the Eleventh Regular Foreign Investment Negative List (the “Negative List”). This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, land ownership, educational institutions, telecommunications, mining, and the operation of public utilities.

In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%. A corporation with more than 40% foreign equity may be allowed to lease land for a period of 25 years, renewable for another 25 years.

In addition, under the Philippine Constitution, educational institutions shall be owned solely by citizens of the Philippines or corporations or associations at least sixty percent (60%) of the capital of which is owned by such citizens, except those established by religious groups and mission boards.

For the purpose of complying with nationality laws, the term Philippine National is defined under the FIA as any of the following:

- a citizen of the Philippines;
- a domestic partnership or association wholly-owned by citizens of the Philippines;
- 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;
- a corporation organized abroad and registered to do business in the Philippines under the Revised 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.

In SEC Memorandum Circular No. 08 dated May 20, 2013, 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, it is provided that for purposes of determining compliance with the nationality requirement, the required percentage of Filipino ownership shall be applied both to (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. A petition for certiorari questioning the constitutionality of SEC Memorandum Circular No. 8 dated May 20, 2013 was filed in June 2013. In *Jose M. Roy III v. Chairperson Teresita Herbosa* (G.R. No. 207246) dated April 18, 2017, the Supreme Court affirmed the validity of SEC Memorandum Circular No. 08 dated May 20, 2013.

Data Privacy Act of 2012

The Data Privacy Act of 2012 is a comprehensive and strict privacy legislation aimed to protect the fundamental human right to privacy of data subjects by: (a) protecting the privacy of individuals while ensuring free flow of information; (b) regulating the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of personal data; and (c) ensuring that the Philippines complies with international standards set for data protection through the National Privacy Commission (“Privacy Commission”).

The Data Privacy Act aims to protect the privacy of individuals, and mandates companies to inform the individuals about how their personal information are collected and processed. It also ensures that all personal information must be (a) collected and processed with lawful basis, which includes consent, and only for reasons that are specified, legitimate, and reasonable; (b) handled properly, ensuring its accuracy and retention only for as long as reasonably needed; and (c) discarded properly to avoid access by unauthorized third parties.

Its Implementing Rules and Regulations (“IRR”) took effect on September 9, 2016, mandating all Philippines companies to comply with the following: (a) appointment of a Data Protection Officer; (b) conduct of a privacy impact assessment; (c) adoption of a privacy management program and privacy policy; (d) implement privacy and data protection measures; and (e) establish a breach reporting procedure. In addition, companies with at least 250 employees or access to sensitive personal information of at least 1,000 individuals are required to register their data processing systems with the Privacy Commission. The IRR, furthermore, provides the only instances when data sharing is allowed, to wit: (a) data sharing is authorized by law, provided that there are adequate safeguards for data privacy and security, and processing adheres to principles of transparency, legitimate purpose, and proportionality; (b) in the private sector, data sharing for commercial purposes is allowed upon (i) consent of data subject, and (ii) when covered by a data sharing agreement; (c) data collected from parties other than the data subject for purpose of research shall be allowed when the personal data is publicly available; and (d) data sharing among government agencies for purposes of public function or provision of a public service shall be covered by a data sharing agreement.

Local Government Code

Republic Act No. 7160, otherwise known as the Local Government Code of 1991 (“LGC”), establishes the system and powers of provincial, city, municipal, and barangay governments in the country. The LGC general welfare clause states that every local government unit (“LGU”) shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

The power to tax and police power are exercised by the LGU through their respective legislative bodies. Specifically, the LGU, through its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the locality and its inhabitants. Ordinances can reclassify land, impose real property taxes, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry, or any undertaking is required under Republic Act No. 11199, the Social Security Act of 2018 to ensure coverage of employees following procedures set out by the law and the Social Security System (“SSS”). Under the said law, an employer must deduct from its employees their monthly contributions in an amount corresponding to their salary, wage, compensation, or earnings during the month in accordance with the monthly salary credits, the schedule and the rate of contributions as may be determined and fixed by the Social Security Commission, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits, and maternity-leave benefits.

The failure of the employer to comply with any of its obligations may lead to sanctions, including the imposition of a fine of not less than ₱5,000.00 nor more than ₱20,000.00, or imprisonment for not less than six years and one (1) day nor more than 12 years, or both, at the discretion of the court. The erring employer will also be liable to the SSS for damages equivalent to the benefits to which the employee would have been entitled had his name been reported on time to the SSS and for the corresponding contributions and penalties thereon.

Employers are likewise required to ensure enrolment of its employees in a National Health Insurance Program (“NHIP”) administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health tasked with ensuring sustainable, affordable, and progressive social health insurance pursuant to the provisions of Republic Act No. 10606, the National Health Insurance Act of 2013.

On February 20, 2019, Republic Act No. 11223, the Universal Health Care Act, was enacted, which amended certain provisions of the National Health Insurance Act of 2013. Under the said law, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types, direct contributors and indirect contributors. Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for health benefit package under the program.

Any employer who deliberately or through inexcusable negligence, fails or refuses to register employees regardless of their employment status, accurately and timely deduct contributions from the employee's compensation or to accurately and timely remit or submit the report of the same to PhilHealth shall be punished with a fine of Fifty thousand pesos (P50,000.00) for every violation per affected employee, or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

Any employer who deducts, directly or indirectly, from the compensation of the covered employees or otherwise recover from them the employer's own contribution on behalf of such employees shall be punished with a fine of Five thousand pesos (P5,000.00) multiplied by the total number of affected employees or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

Under Republic Act No. 9679, the Home Development Mutual Fund Law of 2009, all employees who are covered by the SSS must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide affordable shelter financing to Filipino workers. Coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee's monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2% of the employee's monthly compensation, and remit the contributions to the HDMF. Refusal of an employer to comply, without any lawful cause or with fraudulent intent, particularly with respect to registration of employees as well as collection and remittance of contributions, is punishable by a fine of not less but not more than twice the amount involved, or imprisonment of not more than six years, or both such fine and imprisonment. When the offender is a corporation, the penalty will be imposed upon the members of the governing board and the president or general manager, without prejudice to the prosecution of related offenses under the Revised Penal Code and other laws, revocation and denial of operating rights and privileges in the Philippines and deportation when the offender is a foreigner.

The Labor Code

The Department of Labor and Employment (“DOLE”) is the Philippine government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code of the Philippines and the Occupational Safety and Health Standards (which sets out, among others, the guidelines applicable to different establishments intended for the protection of every workingman against the dangers of injury, sickness, or death through safe and healthful working conditions), as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

Other Labor-Related Laws and Regulations

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work, or service within a definite or predetermined period, regardless of whether such job, work, or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a “trilateral relationship” among: (i) the principal who decides to farm out a job, work, or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

On March 16, 2017, the DOLE issued DOLE Department Order No. 174-17 or Rules Implementing Articles 106 to 109 of the Labor Code, as Amended (“D.O. No 174-17”), under the principle that non-permissible forms of contracting and subcontracting arrangements undermine the constitutional and statutory right to security of tenure of workers. D.O. No 174-17 empowered the Secretary of Labor and Employment to regulate contracting and subcontracting arrangement by absolutely prohibiting labor-only contracting, and restricting job contracting allowed under the provisions of the Labor Code. Labor-only contracting refers to an arrangement where (a) the contractor or subcontractor does not have substantial capital, or the contractor or subcontractor does not have investments in the form of tools, equipment, machineries, supervision, or work premises, and the contractor’s or subcontractor’s employees recruited and placed are performing activities which are directly related to the main business operation of the principal; or (b) the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. D.O. No. 174-17 expressly requires the registration of contractors with the Regional Office of the DOLE where it principally operates, without which, a presumption that the contractor is engaged in labor-only contracting arises.

The Department Order provides that in the event that there is a finding that the contractor or subcontractor is engaged in labor-only contracting and other illicit forms of employment arrangements, the principal shall be deemed the direct employer of the contractor’s or subcontractor’s employees. Further, in the event of violation of any provision of the Labor Code, including the failure to pay wages, there exists a solidary liability on the part of the principal and the contractor for purposes of enforcing the provisions of the Labor Code and other social legislations, to the extent of the work performed under the employment contract.

DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act, a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers, and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement, or prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarily liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one (1) month nor more than six months, or a fine of not less than ₱10,000 nor more than ₱20,000, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, Department Order No. 102-10 requires all private workplaces to have a policy on Human Immunodeficiency Virus (“HIV”) and Acquired Immunodeficiency Syndrome (“AIDS”) and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies

aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it are strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

Safe Spaces Act

In 2019, Republic Act No. 11313 or the Safe Spaces Act, was enacted to safeguard both men and women against gender-based sexual harassment not only in private, but also on the streets, public spaces, online, workplaces, and educational and training institutions. The law criminalizes gender-based streets and public spaces sexual harassment that includes catcalling, wolf-whistling, unwanted invitations, misogynistic, transphobic, homophobic, and sexist slurs, persistent uninvited comments or gestures on a person's appearance, relentless requests for personal details, statement of sexual comments and suggestions, public masturbation, or flashing of private parts, groping, or any advances, whether verbal or physical.

In the workplace, punishable gender-based sexual harassment includes acts involving any unwelcome sexual advances, requests, or demand for sexual favors or any act of sexual nature; any conduct of sexual nature and other conduct-based on sex affecting the dignity of a person, which is unwelcome, unreasonable, and offensive to the recipient; and any conduct that is unwelcome and pervasive and creates an intimidating, hostile, or humiliating environment for the recipient, among others.

Under the law, employers or other persons of authority, influence, or moral ascendancy are obliged to prevent, deter, or punish the performance of acts of gender-based sexual harassment in the workplace. Also, employees and co-workers are compelled to refrain from committing acts of gender-based sexual harassment; provide emotional or social support to co-workers, colleagues, or peers who are victims of gender-based sexual harassment; and report acts of gender-based sexual harassment witnessed in the workplace.

For educational and training institutions, Safe Spaces Act requires all schools, whether public or private, to designate an officer-in-charge to receive complaints regarding commissions of acts of gender-based sexual harassment, and to ensure that the victims are provided with a gender-sensitive environment that is both respectful to the victims' needs and conducive to truth-telling.

R.A. No. 11313 designates the Metro Manila Development Authority, the local units of the Philippine National Police for other provinces, the Women and Children's Protection Desk, and the Philippine National Police Anti-Cybercrime Group as implementing bodies that shall have the authority to apprehend perpetrators and enforce the law. The Safe Spaces Act likewise provides for the corresponding penalties of imprisonment, community service, and fines for the acts committed in violation of R.A. No. 11313.

Occupational Safety and Health (“OSH”) Program

In 2018, Republic Act No. 11058 (R.A. No. 11058), also known as “An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof”, was enacted to ensure safe and healthful workplace for all working people. The law covers all establishments, projects, sites, including PEZA establishments, and all other places where work is being undertaken in all branches of economic activity, except in the public sector.

Under the law, every employer, contractor or subcontractor, and any person who manages, controls, or supervises the work being undertaken shall furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness, or physical harm to the workers; and every worker shall participate in ensuring compliance with OSH standards in the workplace.

All workers are guaranteed the right to safety and health at work, and the right of refusal to work if (1) an imminent danger situation exists in the workplace that may result in illness, injury, or death; or (2) when corrective actions to eliminate said dangers have not yet been undertaken by the employer. They shall also have the right to report accidents, dangerous occurrences, and hazards to the employer, to the DOLE, and to other concerned government agencies; and the right to be provided with protective equipment.

R.A. No. 11058 required covered workplaces to have a safety and health program that shall include policies, guidelines, or information on commitment to comply with OSH requirements; general safety and health, including a drug-free workplace; HIV and AIDS/tuberculosis/hepatitis prevention and control; occupational safety and health personnel and facilities; safety and health promotion, training and education; accident/incident/illness investigation, recording and reporting; provision of workers' welfare facilities; and prohibited acts and penalties for violations, among others.

Mental Health

Emphasizing the importance of promoting workers' mental health, the DOLE issued Department Order No. 208, series of 2020 (D.O. No. 208), otherwise known as the "Guidelines for the Implementation of Mental Health Workplace Policies and Programs for the Private Sector", which aims to guide employers and workers in the private sector for effective implementation of mental health policies and programs in accordance with R.A. No. 11036 (Mental Health Act) and other related laws.

Under the D.O. No. 208, all workplaces and establishments are mandated to formulate a Mental Health Workplace Policy and Program, which shall be prepared jointly by management and employees' representatives and shall be made an integral part of the company's OSH policies and programs. In organized establishments, a mental health program may be included as part of the collective bargaining agreement (CBA).

Components of the Mental Health Workplace Policy and Program shall include advocacy, information, education, training as well as promotion and enhancement of workers' well-being; non-discriminatory policies and practices; confidentiality of information; disclosure of medical or mental condition; work accommodation and work arrangement; treatment, rehabilitation, and referral system; benefits and compensation, among others.

Family Welfare Program

In 1987, the DOLE formulated the Family Welfare Program ("FWP") to promote and protect the welfare of workers and their families through the integration of family welfare concerns at the workplaces nationwide, whether organized or unorganized. The FWP aims to introduce the concept of family welfare to establishments with 200 or more workers and eventually to establishments with less than 200 workers.

In 2003, DOLE issued Department Order No. 056-03 (D. O. No. 056-03), also known as "Rationalizing the Implementation of FWP in DOLE", which shifted the FWP's focus from promoting family planning to providing family welfare services to workers.

D. O. No. 056-03 mandates the DOLE to provide orientation-seminars on the FWP focusing on reproductive health, gender equality, and nutrition. Further, D. O. No. 056-03 required establishments employing more than two hundred (200) workers in any locality to form a Family Welfare Committee ("FWC"), which will be responsible for planning, organizing, and implementing an in-plant family welfare program; and encouraging establishments with less than two hundred (200) workers to establish/organize an FWC and implement a family welfare program.

Thereafter, DOLE Advisory No. 003-09, also known as "Intensifying Implementation of the Family Welfare Program through Provision of Family Health Program Services", was issued to enjoin all Regional Offices and concerned central offices of the DOLE to intensify the implementation of the FWP in all establishments in collaboration and coordination with partner agencies, family welfare federations, and other relevant organizations.

Intellectual Property Code

Under the Intellectual Property Code of the Philippines, the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal government agency involved in the registration of brand names, trademarks, patents, and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office shall issue a certificate of registration to the owner of the mark, which shall confer the right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered. The said certificate of registration shall also serve as prima facie evidence of the validity of registration and the registrant's ownership of the mark. A certificate of registration shall remain in force for an initial period of 10 years and may be renewed for periods of 10 years at its expiration.

RELEVANT REGULATIONS RELATING TO EDUCATION

The Enhanced Basic Education Act of 2013

Republic Act No. 10533, otherwise known as the Enhanced Basic Education Act of 2013, aims to provide a functional basic education system that will develop productive and responsible citizens equipped with the essential competencies, skills and values for both life-long learning and employment. In order to achieve this, the State shall:

- (a) Give every student an opportunity to receive quality education that is globally competitive based on a pedagogically sound curriculum that is at par with international standards;
- (b) Broaden the goals of high school education for college preparation, vocational and technical career opportunities as well as creative arts, sports, and entrepreneurial employment in a rapidly changing and increasingly globalized environment; and
- (c) Make education learner-oriented and responsive to the needs, cognitive and cultural capacity, the circumstances and diversity of learners, schools and communities through the appropriate languages of teaching and learning, including mother tongue as a learning resource.

The above shall be achieved by expanding the years of basic education from 10 to 12 years. The enhanced basic education program encompasses at least one (1) year of kindergarten education, six (6) years of elementary education, and six (6) years of secondary education, in that sequence. Secondary education includes four (4) years of junior high school and two (2) years of Senior High School (SHS).

- Kindergarten education shall mean one (1) year of preparatory education for children at least five (5) years old as a prerequisite for Grade I.
- Elementary education refers to the second stage of compulsory basic education which is composed of six (6) years. The entrant age to this level is typically six (6) years old.
- Secondary education refers to the third stage of compulsory basic education. It consists of four (4) years of junior high school education and two (2) years of senior high school education. The entrant age to the junior and senior high school levels are typically twelve (12) and sixteen (16) years old, respectively.

The DepEd was tasked to formulate the design and details of the enhanced basic education curriculum. Alongside the CHED, a harmonized basic and tertiary curricula for the global competitiveness of Filipino graduates is to be crafted. Further, to ensure college readiness and to avoid remedial and duplication of basic education subjects, the DepEd shall coordinate with the CHED and the TESDA. RA 10533 also outlined the standards and principles to be used in developing the enhanced basic education curriculum.

Recognizing the need for student financial support due to the added 2 years of education, RA 10533 expanded the benefits accorded by Republic Act No. 8545, or the "Expanded Government Assistance to Students and

Teachers in Private Education Act”, to provide extended financial assistance to qualified students enrolled under the enhanced basic education. To further implement RA 10533, the DepEd issued DepEd Department Order No. 11 series of 2015 (DO 11 s. 2015) where the SHS Voucher Program, a mechanism to provide financial assistance to SHS students, was introduced.

Through the SHS Voucher Program, the DepEd engages private institutions which are SHS-providers to enroll students who are qualified voucher recipients from both Public and Private Junior High Schools so they can be provided assistance, through a voucher subsidy paid to the private institution SHS provider.

Higher Education Act of 1994

The CHED was established by virtue of Republic Act. No. 7722, otherwise known as the Higher Education Act of 1994, which was signed into law on May 18, 1994. The creation of CHED abolished the Bureau of Higher Education, and confined the jurisdiction of the DepEd to elementary and secondary levels of education.

CHED is mandated to (a) promote quality education; (b) broaden access to higher education; (c) protect academic freedom for continuing intellectual growth; and (d) ensure the advancement of learning and research. The Higher Education Act of 1994 grants unto CHED the following powers and functions:

- a) formulate and recommend development plans, policies, priorities, and programs on higher education and research;
- b) formulate and recommend development plans, policies, priorities and programs on research;
- c) recommend to the executive and legislative branches, priorities and grants on higher education and research;
- d) set minimum standards for programs and institutions of higher learning recommended by panels of experts in the field and subject to public hearing, and enforce the same;
- e) monitor and evaluate the performance of programs and institutions of higher learning for appropriate incentives as well as the imposition of sanctions such as, but not limited to, diminution or withdrawal of subsidy, recommendation on the downgrading or withdrawal of accreditation, program termination or school closure;
- f) identify, support and develop potential centers of excellence in program areas needed for the development of world-class scholarship, nation building and national development;
- g) recommend to the Department of Budget and Management the budgets of public institutions of higher learning as well as general guidelines for the use of their income;
- h) rationalize programs and institutions of higher learning and set standards, policies and guidelines for the creation of new ones as well as the conversion or elevation of schools to institutions of higher learning, subject to budgetary limitations and the number of institutions of higher learning in the province or region where creation, conversion or elevation is sought to be made;
- i) develop criteria for allocating additional resources such as research and program development grants, scholarships, and other similar programs: provided, that these shall not detract from the fiscal autonomy already enjoyed by colleges and universities;
- j) direct or redirect purposive research by institutions of higher learning to meet the needs of agro-industrialization and development;
- k) devise and implement resource development schemes;
- l) administer the Higher Education Development Fund which will promote the purposes of higher education;
- m) review the charters of institutions of higher learning and SUCs including the chairmanship and membership of their governing bodies and recommend appropriate measures as basis for necessary action;
- n) promulgate such rules and regulations and exercise such other powers and functions as may be necessary to carry out effectively the purpose and objectives of this Act; and perform such other functions as may be necessary for its effective operations and for the continued enhancement, growth or development of higher education.

CHED Policies, Standards, and Guidelines Governing the Sale, Merger, or Consolidation of Private Higher Education Institutions in the Philippines.

In accordance with the pertinent provisions of Section 2, Article XIV of the 1987 constitution, Section 8 (paragraphs d and n) of the Higher Education Act of 1994, and in consonance with Batas Pambansa Blg. 68 otherwise known as the "Corporation Code of the Philippines", CHED issued Memorandum Order ("CMO") No. 41 s. 2016 – to institute a mechanism and procedure to govern the acquisition, sale, merger, or consolidation of higher education institutions in the Philippines.

As a general policy, the sale, merger, acquisition, or consolidation of higher educational institutions ("HEIs") shall require the endorsement and/or approval of the Commission on Higher education.

The CHED must be informed of any contemplated sale involving HEIs. A Buyer, or any of its appropriate representatives, shall inform CHED of its intent to purchase a particular HEI or any interest therein within 30 days before the Buyer has firmed up preliminary plans to negotiate acquisition of the said HEI. Whether the sale pushes through or not, the Buyer shall communicate to CHED the results of their final negotiations with the HEI. In case of successful negotiations, the Buyer shall fully disclose in writing the identities of the parties in interest, and the new owners or shareholders.

Upon notification of the CHED of the change of ownership of the HEI subject of sale, the new owners may immediately apply for the confirmation of permits, recognitions, and other status or entitlements.

On the part of the HEI, in the event that there is a change in ownership of the higher education institution either through sale of, transfer/assignment of rights/interests or ownership, or similar modes, it shall be the duty of the Chairman of the Board of Trustees/Directors of the private higher education institution to fully disclose in writing, within fifteen (15) days, to the CHED the change in ownership specifying the identities of the new owners or shareholders and other pertinent information.

The Commission, through its appropriate offices and officials, within thirty (30) days, shall confirm the permits, recognition, status, or similar conditions of the HEI subject of sale or merger effected either through the sale/transfer or acquisition of assets in the case of non-stock corporation, or of shares of stock in the case of stock corporations, or through any of the mergers or consolidation contemplated therein, if compliant under the CMO provided that the sale or merger shall result to better quality education.

Technical Education and Skills Development Authority

The TESDA was established through the enactment of Republic Act No. 7796, otherwise known as the "Technical Education and Skills Development Act of 1994". It aims to encourage the full participation of and mobilize the industry, labor, local government units, and technical-vocational institutions in the skills development of the country's human resources. It also integrated the functions of the former National Manpower and Youth Council ("NMYC"), the Bureau of Technical-Vocational Education of the Department of Education, Culture and Sports ("BTVE-DECS"), and the Office of Apprenticeship of the Department of Labor and Employment ("DOLE").

The mandate of TESDA includes (i) integration, coordination, and monitoring of skills development programs; (ii) restructuring efforts to promote and develop middle-level manpower; (iii) approving skills standards and tests; (iv) developing accreditation systems for institutions involved in middle-level manpower development; (v) funding of programs and projects for technical education and skills development; and (vi) assisting in training programs.

On June 30, 2016, the Philippines adopted Executive Order No. 1 ("E.O. No. 1"). It effectively placed TESDA and other government agencies under the supervision of the Cabinet Secretary. Moreover, the said E.O. No. 1 mandates that the covered agencies shall primarily evaluate existing poverty reduction programs and, if deemed necessary, formulate a more responsive set of programs complementing existing ones, channeling resources as necessary to reduce both the incidence and magnitude of poverty. Other duties and responsibilities have also been ascribed to the concerned agencies under the said E.O. No.1. TESDA was later placed under the

Department of Trade and Industry on October 31, 2018, following the reorganization of the Office of the Cabinet Secretary.

REGULATIONS RELATING TO THE PROPERTIES BUSINESS

The Subdivision and Condominium Buyer's Protective Decree

Presidential Decree No. 957 is the principal statute which regulates the development and sale of real property as part of a condominium 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, lightning systems, and other similar basic requirements in order to guarantee the health and safety of home and lot buyers.

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

Batas Pambansa Blg. 220 and its Implementing Rules and Regulations 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. Under Executive Order No. 71, Series of 1993, cities and municipalities assume the powers of the HLURB over the: a) Approval of preliminary and final subdivision schemes and development plans for all subdivisions, residential, commercial, industrial projects; 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.

Urban Development and Housing Act of 1992

Republic Act No. 7279 or the Urban Development and Housing Act of 1992, as amended recently by Republic Act No. 10884 or the Balanced Housing Development Program Amendments, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least fifteen percent (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.

The Condominium Act

Republic Act No. 4726, otherwise known as "The Condominium Act", regulates the development and sale of condominium projects, and requires the annotation of the master deed or the declaration of restrictions on the title of the land on which the condominium project shall be located. The master deed contains, among other things, the description of the land, building/s, common areas, and facilities of the condominium project. The declaration of 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.

Department of Human Settlements and Urban Development Act

Republic Act No. 11201, otherwise known as "Department of Human Settlements and Urban Development Act", was signed by the President on February 14, 2019. The Implementing Rules and Regulations of the Act was approved on July 19, 2019. This Act created DHSUD through the consolidation of HUDCC and HLURB,

simultaneously with the reconstitution of HLURB into Human Settlement Adjudication Commission (“HSAC”). The functions of the HUDCC and the planning and regulatory functions of HLURB shall be transferred to and consolidated in the DHSUD, while the HSAC shall assume and continue to perform the adjudication functions of HLURB.

The DHSUD shall:

1. Act as the primary national government entity responsible for the management of housing, human settlement and urban development;
2. Be the sole and main planning and policy-making, regulatory, program, coordination, and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to an affordability of basic human needs. The following functions of HLURB are transferred to DHSUD:
 - a. The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that LGUs will follow the planning guidelines and implement their Comprehensive Land Use Plans and zoning ordinances;
 - b. The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments, and imposition of fines and other administrative sanctions for violations, pursuant to P.D. 957, as amended, B.P. 220 and other related laws; and
 - c. The registration, regulation and supervision of Homeowners Associations, including the imposition of fines for violations, pursuant to Republic Act No. 9904 or the “Magna Carta for Homeowners and Homeowners’ Associations”, Section 26 of Republic Act No. 8763 or the “Home Guaranty Corporation Act of 2000” in relation to Executive Order No. 535, series of 1979, and other related laws.
3. Develop and adopt a national strategy to immediately address the provision of adequate and affordable housing to all Filipinos, and ensure the alignment of the policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

All existing policies and rules and regulations of the HUDCC and the HLURB shall continue to remain in full force and effect unless subsequently revoked, modified, or amended by the DHSUD or the HSAC, as the case may be.

All applications for permits, licenses, and other issuances pending upon the effectivity of the Act and filed during the transition period shall continue to be acted upon by the incumbents until transition shall have been completed.

All cases and appeals pending with the HLURB shall continue to be acted upon by the HLURB Arbiters and the Board of Commissioners, respectively, until transition shall have been completed and the Commission's operations are in place. Thereafter, the Regional Adjudicators and the Commission shall correspondingly assume jurisdiction over those cases and appeals. All decisions of the Commission shall thenceforth be appealable to the Court of Appeals under Rule 43 of the Rules of Court.

RELEVANT REGULATIONS RELATING TO THE CONSTRUCTION MATERIALS BUSINESS

Safeguard Measures Act

Republic Act No. 8800, otherwise known as the Safeguard Measures Act, was established to protect domestic industries and producers from increased imports that cause or threaten to cause serious injury to domestic industries and producers. The Safeguard Measures Act provides temporary protection to a Philippine industry

affected by the surge in imports. Moreover, it authorizes the Philippine government to restrict imports, after results of the investigations carried out by competent authorities establish that imports are taking place in such increased quantities as to cause or threaten to cause serious injury to the domestic industry that produces similar or directly competitive products. The measure is applied to imports of like or directly competitive products from all sources.

Consumer Act of the Philippines

Republic Act No. 7394, otherwise known as the Consumer Act of the Philippines (“Consumer Act”), seeks to protect consumers against hazards to health and safety as well as deceptive, unfair, and unconscionable sales acts and practices. The Consumer Act establishes quality and safety standards for the composition, contents, packaging, labeling, and advertisement of products, and prohibits the manufacture for sale, offer for sale, distribution, or importation of products that are not in conformity with the applicable consumer product quality or safety standards promulgated thereunder. It is primarily enforced by the Department of Trade and Industry.

The Standards Law

The Bureau of Philippine Standards of the Department of Trade and Industry (“DTI-BPS”) serves as the National Standards Body (“NSB”) of the Philippines and is mandated to develop, promulgate, and implement standards for all products in the Philippines, to promote standardization activities in the country, and to ensure the manufacture, production, and distribution of quality products for the protection of the consumer. The Bureau was created on 20 June 1964 through Republic Act No. 4109, otherwise known as the Standards Law.

The mandate of RA 4109 is reiterated by the Consumer Act which declares that it is the duty of the State to develop and provide safety and quality standards for consumer products, including performance or use-oriented standards, codes of practice and methods of tests. Crucial to the fulfillment of mandate of DTI-BPS is the availability of relevant Philippine National Standards (“PNS”) that are responsive to the needs of consumers and technological developments.

As of January 25, 2021, BPS Memorandum Circular No. 21-05, Series of 2021 includes cement and other construction materials under the list of products which requires mandatory certification.

Import Regulations

Pursuant to the Department of Finance Department Order No. 011-2018 dated 9 February 2018, the authority to accredit and register importers and custom brokers was reverted solely to the Bureau of Customs (“BOC”) for purposes of simplification of process pursuant to Section 1200 of R.A. No. 10863, otherwise known as the Customs and Modernization and Tariff Act. The BOC is, however, mandated to transmit to the BIR on a quarterly basis the list of approved/accredited customs brokers and importers for post-accreditation validation of tax compliance. In case of any findings of tax deficiency or non-compliance, the BIR must notify the BOC of such findings immediately.

In accordance with the directive of the Department of Finance, the BOC issued BOC Memorandum Order No. 05-2018 dated 24 April 2018 on the revised guidelines for registration of importers and custom brokers.

For new importers, the following documents are to be submitted: (1) notarized application form; (2) BOC Official Receipt evidencing payment of Processing Fee; (3) Corporate Secretary Certificate for corporations, or an Affidavit for sole proprietorships, or Board of Directors Resolution for cooperatives, designating its authorized signatories in the import entries; (4) two valid government IDs of Applicant and Responsible Officers; (5) National Bureau of Investigation Clearance of applicant (issued within three months prior to their application); (6) latest General Information Sheet for corporations / Department of Trade and Industry Registration for sole proprietorships, or Articles of Partnership or Cooperative Development Authority for cooperatives; (7) personal profile of Applicant, President, and Responsible Officers with 2x2 ID Picture; (8) company profile with pictures of office with proper and permanent signage; (9) address of warehouse owned or leased by the importer where the imported goods are intended to be stored; (10) proof of lawful occupancy of office address and warehouse; (11) list of importables;

(12) printed CPRS Record and updated "STORED" CPRS notification of CPRS; (13) Indorsement from the collector, if applicable; (14) BIR Registration ("Form 2303"); (15) latest Income Tax Return duly received by the BIR, and; (16) valid Mayor's Permit. For renewal of an importer's accreditation, the importer shall submit numbers 6, 8, 9, 10, 11, 12, and 15 of the documents listed above, including income tax returns for the past three (3) years.

Contractor's License

The issuance of P.D. 1746 on 28 November 1980 created the Construction Industry Authority of the Philippines (the "CIAP") to promote, accelerate and regulate the growth and development of the construction industry in conformity with national goals. The Board was then composed of the Minister of Industry as Chairman, the Chairmen of the Philippine Contractors Accreditation Board, Philippine Overseas Construction Board, Philippine Domestic Construction Board, and Construction Manpower Development Foundation, the President of the Philippine Contractors Association, and a representative from the private construction sector, as members.

Under Section 3 of P.D. 1746, the CIAP shall be attached to the then Ministry of Industry, now Department of Trade and Industry (the "DTI") for policy and program coordination. It shall exercise authority, jurisdiction, and supervision over the following agencies which shall act as its implementing arms: (i) Philippine Contractors Accreditation Board ("PCAB"); (ii) Philippine Overseas Construction Board ("POCB"); (iii) Philippine Domestic Construction Board ("PDCB"); and (iv) Construction Manpower Development Foundation ("CMDf"). On 04 February 1985, E.O. No. 1008 was implemented, creating arbitration machinery in the construction industry of the Philippines known as the Construction Industry Arbitration Commission ("CIAC").

The PCAB was mandated to assume the functions of the abolished Philippine Licensing Board for Contractors under Republic Act No. 4566, otherwise known as the Contractors' License Law. The POCB's objective is to formulate, policies, plans, programs, and strategies for developing the Philippine overseas construction industry; regulate and control the participation of construction contractors in overseas construction projects; and administer the grant of incentives for Filipino overseas contractors. The functions of the PDCB are to formulate, recommend and implement policies, rules, regulations, and guidelines and adjudicate disputes arising from public construction projects. On the other hand, CMDf's function is to formulate an overall construction manpower development plan and strategies, and develop and implement manpower training programs for the construction industry, among others. Finally, CIAC's objective is to formulate and adopt an arbitration program for the construction industry as well as the supervision of the said program, and to enunciate policies and prescribe rules and procedures for construction arbitration.

The Contractors' License Law provides that no contractor, including sub-contractor and specialty contractor, shall engage in the business of contracting without first having secured a PCAB license to conduct business. The purpose of the Contractors' License Law is to ensure, for the safety of the public, that only qualified and reliable contractors are allowed to undertake construction in the country. The law also aims to promote for the benefit of the public and private sectors and the national interest, the orderly growth of the contracting sector, and the upgrading of construction capability. Failure to obtain a license as required will result in penalties to be imposed by the PCAB.

In granting such a license, the PCAB takes into consideration the applicant-contractor's qualifications and compliance with certain minimum requirements in the following criteria: (a) financial capacity, (b) equipment capacity, (c) experience of the firm, and (d) experience of technical personnel. Philippine laws also require a contractor to secure construction permits and environmental clearances from appropriate Government agencies before actually undertaking each project.

All contractors are required to secure either a regular or special license from PCAB.

A regular license is issued to a domestic construction firm (a Filipino sole proprietorship or a partnership/corporation with at least 60% Filipino equity) and is renewed annually, on or before June 30 of each year. PCAB has issued Resolution No. 333, Series of 2013 allowing foreign construction firms with more than 40% foreign equity to qualify for a regular AAAA license provided that such firms comply with the following requirements:

- ₱1.0 billion minimum capitalization;
- Compliance with SEC Registration and Equity Requirements;
- Engagement is limited to private domestic construction projects with contract cost of at least ₱1.0 billion;
- Procurement of civil liability insurance;
- Compliance with Philippine laws; and
- Provided there is compliance with the PCAB qualification standards for a Filipino Authorized Managing Officer, such firms may hire a Foreign Authorized Managing Officer.

A foreign contractor who is not able to meet the ₱1.0 billion capitalization may be granted a special license to engage in the construction of a single specific project or undertaking with a project cost of at least ₱1.0 billion if there is limited local capability in technology as determined by the Philippine Domestic Construction Board.

Furthermore, on March 27, 2017, PCAB issued Resolution No. 079, Series of 2017 which categorizes a regular AAAA license into two types:

- AAAA Platinum – This may be granted to locally-owned contractors with at least ₱1.0 billion minimum capitalization; and
- AAAA Gold – This may be granted to foreign-owned domestic corporations with at least ₱1.0 billion minimum capitalization.

AAAA Gold contractors may undertake private projects under the following contract costs: (1) minimum contract cost of ₱5.0 billion for vertical projects; and (2) minimum contract cost of ₱3.0 billion for horizontal projects.

AAAA Platinum contractors may undertake government and private projects of any contract cost.

AAA category shall be limited to general contractors. However, AAAA contractors may engage licensed subcontractor/specialty contractors to work on portions of its projects.

- (b) A special license is issued to a joint venture, a consortium, foreign contractor, or a project owner who authorizes the licensee to engage only in the construction of a single, specific project or undertaking, and is cancelled by PCAB upon completion of the single specific undertaking or project authorized by the license.

However, The Philippine Supreme Court, in *Philippine Contractors Accreditation Board Vs. Manila Water Company, Inc.* (G.R. No. 217590. March 10, 2020), which was released to the public on August 26, 2020, has struck down for being void the nationality requirement in the grant of a regular PCAB license. As of September 2020, there are still pending Motions for Reconsideration before the Philippine Supreme Court.

Authority of the Freeport Area of Bataan

In 1972, the Bataan Export Processing Zone (“BEPZ”) became the first official economic zone in the Philippines. The BEPZ was one of the most progressive communities in Luzon during its first decade of operation. However, in the 1990s, the development in the BEPZ stagnated and then declined rapidly. This led to the enactment of Republic Act No. 9728, otherwise known as the Freeport Area of Bataan (“FAB”) Act in October 2009, which converted the BEPZ into the FAB, a special economic zone and freeport with a dedicated governing authority, the Authority of the Freeport Area of Bataan (“AFAB”).

The FAB Act was then amended in 2019 with the enactment of Republic Act No. 11453, which extends the Bataan freeport’s territory to include the rest of Mariveles outside the former Bataan Economic Zone and its municipal waters, as well as the alienable and disposable public lands and municipal waters of the expansion areas. Under the law, foreign citizens and companies owned by non-Filipinos in whatever proportion may set up enterprises in the FAB by themselves or in a joint venture with Filipinos in any sector of industry, international trade, and

commerce. The said law also authorizes the FAB to require a minimum investment in freely convertible currencies from any enterprise seeking registration as a FAB enterprise. FAB-registered enterprises enjoy several tax incentives granted under the law.

Occupational Health and Safety Standards

Please see discussion under “*Relevant Regulations Applicable in General*”.

Environmental Impact Statement System

Please see discussion under “*Environmental Regulations*”.

Toxic Substances, Hazardous and Nuclear Wastes Control Act

Please see discussion under “*Environmental Regulations*” .

Philippine Clean Air Act

Please see discussion under “*Environmental Regulations*”.

Philippine Clean Water Act

Please see discussion under “*Environmental Regulations*”.

Municipal Laws / Business Permit

A Mayor’s Permit from the local government unit having jurisdiction over the area where an entity is operating must be secured before doing business in the said city or municipality. A Mayor’s Permit is issued only after compliance with certain local government requirements, including, but not limited to, obtaining the Sanitary Permit, Certificate of Electrical Inspection, Fire Safety Inspection, Locational Clearance, Barangay Business Clearance, and payment of the corresponding fees. These ancillary permits are valid for one (1) year and must be renewed before the Mayor’s Permit is issued. Failure to obtain a mayor’s permit may expose an entity to fines and penalties, and even suspension or closure of its business.

REGULATIONS RELATING TO THE HOSPITALITY BUSINESS

Philippine Tourism Act (Republic Act No. 9593) and Department of Tourism Certificate of Accreditation

Republic Act No. 9593, or the Philippine Tourism Act of 2009, requires primary tourism enterprises, such as accommodation establishments (e.g. hotels and resorts), to secure accreditation from the DOT. A DOT Certificate of Accreditation is a precondition to the issuance by the pertinent local government unit of a license or permit to operate a primary tourism enterprise. Moreover, only accredited enterprises are entitled to participate in the DOT’s promotional, training, and other programs.

Hotel Code of 1987

The Philippine Department of Tourism promulgated the Hotel Code of 1987 in order to govern the business and operation of all hotels in the Philippines. Investors who wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, Zoning Regulations, and other municipal ordinances. The Hotel Code

provides minimum standards for the establishment, operation, and maintenance of hotels depending on the hotel's classification.

ENVIRONMENTAL REGULATIONS

Philippine Environmental Impact Statement System

Presidential Decree No. 1586 ("P.D.1586"), otherwise known as the Philippine Environmental Impact Statement System, was established in furtherance of the State's policy to attain and maintain a rational and orderly balance between socio-economic growth and environmental protection. Development projects that are classified by law as environmentally critical or within statutorily defined environmentally critical areas are required to obtain an ECC before commencement. As a prerequisite for the issuance of an ECC, an environmentally critical project is required to submit an EIS to the Environmental Management Bureau ("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, without prejudice to the power of the DENR to require a more detailed EIS. The EIS refers to both the document and the environmental impact assessment of a project, including a discussion of direct and indirect consequences to human welfare and ecology 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.

The ECC is a government certification certifying 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 implementing its approved environmental management plan in the EIS or, if an IEE was required, that it will comply with the mitigation measures suggested therein. The ECC contains specific measures and conditions that the project proponent must undertake before and during the operation of a project, and in some cases, during the abandonment phase of the project to mitigate identified environmental impact.

Under Section 9 of P.D. 1586, non-securing of ECC when required or the non-compliance with any of the provisions of the ECC shall be sufficient cause for its cancellation or suspension and/or imposition of a fine in an amount not to exceed ₱50,000.00 for every violation thereof, as may be applicable.

In certain instances, the EMB may determine and issue a certification that a certain project is not covered by the EIS System and an ECC is not required. Consequently, a Certificate of Non-Coverage ("CNC") may be issued instead of an ECC.

Philippine Clean Air Act of 1999

Republic Act No. 8749, otherwise known as the Philippine Clean Air Act of 1999 ("Clean Air Act"), focuses primarily on pollution prevention and provides for a comprehensive management program for air pollution. Consistent with the policies of the Clean Air Act, DENR Administrative Order No. 2000-81, as amended by DENR Administrative Order No. 2004-26, a Permit to Operate for each source emitting regulated air pollutants, which shall be issued by the EMB is required. The permittee shall display the permit upon the installation itself in such a manner as to be visible and accessible at all times. If the permit cannot be so placed, it shall be mounted in an accessible and visible place near the installation covered by the permit.

The Permit to Operate is valid for 5 years from the date of issuance, unless sooner suspended or revoked. It may be renewed by applying for renewal at least 30 days before its expiration date and upon payment of the required fees and compliance with requirements.

Moreover, under DENR Administrative Order No. 2014-02, the managing heads of establishments required to have pollution control officers must apply for accreditation of their appointed/designated Pollution Control Officer at the concerned EMB Regional Office within 15 days from the date of appointment/designation.

Philippine Clean Water Act of 2004

Republic Act No. 9275, otherwise known as the Philippine Clean Water Act of 2004 (“Clean Water Act”), focuses primarily on water quality management in all water bodies and the abatement and control of pollution from land-based sources. It prohibits the discharge of material of any kind into water bodies, which shall cause pollution or impede the natural flow of water, discharge of substance into soil or sub-soil which would pollute groundwater, operating facilities that discharge regulated water pollutants without valid permits, and other related acts. The Clean Water Act also regulates the discharge of effluents on land. All owners or operators of facilities that discharge regulated effluents under this Act are required to secure a permit to discharge. The discharge permit shall be the legal authorization granted by the DENR to discharge wastewater. This permit is valid for 5 years and renewable for 5-year periods.

Ecological Solid Waste Management Act

Republic Act No. 9003, otherwise known as the Ecological Solid Waste Management Act of 2000, provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The same law mandates all, especially, the local government units, to adopt a systematic, comprehensive, and ecological solid waste management program which shall ensure protection of public health and environment, utilize environmentally sound methods, set targets and guidelines for solid waste avoidance and reduction, and ensure proper segregation, collection, transport, and storage of solid waste.

The National Solid Waste Management Commission, together with other government agencies and the different local government units, are responsible for the implementation and enforcement of the said law.

Toxic Substances and Hazardous and Nuclear Wastes Control Act

Republic Act No. 6969, otherwise known as the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990, mandates control and management of the import, manufacture, process, distribution, use, transport, treatment, and disposal of toxic substances and hazardous and nuclear wastes. It seeks to protect public health and the environment from unreasonable risks posed by these substances. A waste generator or a person who generates or produces hazardous wastes through any institutional, commercial, industrial, or trade activities must register online and pay the registration fee to the EMB Regional Office having jurisdiction over the location of the waste generator. Upon registration, the EMB shall issue a DENR identification number, which is generally a one-time permit unless there is a change in the hazardous wastes produced.

Under DENR Administrative Order No. 2013-22, a duly registered waste generator must, among others: (i) designate a full-time Pollution Control Officer; (ii) disclose to the DENR the type and quantity of waste generated; (iii) implement proper waste management from the time the wastes are generated until they are rendered non-hazardous; (iv) continue to own and be responsible for the wastes generated in the premises until the wastes have been certified by an accredited waste treater as adequately treated, recycled, reprocessed, or disposed of; (v) adhere to the hazardous waste transport manifest system when transporting hazardous wastes for offsite treatment, storage, and/or disposal; (vi) prepare and submit to the DENR comprehensive emergency preparedness and response program to mitigate spills and accidents involving chemicals and hazardous wastes; (vii) communicate to its employees the hazards posed by the improper handling, storage, transport, use and disposal of hazardous wastes and their containers; and (viii) develop capability to implement the emergency preparedness and response programs and continually train core personnel on the effective implementation of such programs. Failure to comply with DENR Administrative Order No. 2013-22 shall make the violator liable for a fine of ₱50,000.00. In addition to such a penalty, a violation of any of its Governing Rules or rules covering the Contingency Program shall result in the immediate suspension of the permit.

XXIII. PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership, and disposition of the Bonds. This Prospectus excludes any discussion on the taxation outside the Philippines of a non-resident holder. The discussion below does not cover the taxes on the Company or on its operations. The statements made regarding taxation in the Philippines are based on the laws in force at the date of this prospectus and are subject to any changes in law occurring after such date.

This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Bonds and no information is provided regarding the tax aspects of acquiring, owning, holding, or disposing of the Bonds under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Bonds in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.

The tax treatment of a Bondholder may vary depending upon such Bondholder's particular situation, and certain Bondholders may be subject to special rules not discussed below. This summary does not purport to discuss and address all tax aspects that may be important to a Bondholder.

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 one hundred eighty (180) days during any calendar year is considered a "non-resident alien doing business in the Philippines," otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of one hundred eighty (180) days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines." A "resident foreign corporation" is a non-Philippine 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.

PROSPECTIVE PURCHASERS OF THE BONDS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF A BOND, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.

On January 1, 2018, Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion" ("TRAIN") Act, took effect. The TRAIN Act amended provisions of the National Internal Revenue Code of 1997 ("Tax Code") including provisions on Documentary Stamp Tax, Tax on Interest Income and Other Distributions, Estate Tax, and Donor's Tax.

On March 26, 2021, Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises Law ("CREATE") was signed into law and took effect 15 days after publication in the Official Gazette or on 11 April 2021. The law imposes an outright five (5) percent cut in the country's corporate income tax rate. Corporate income taxes will be lowered from thirty percent (30%) to twenty-five percent (25%) effective July 1, 2020. For businesses with an annual net income below ₱5 million and with total assets not exceeding ₱100 million, excluding the land on which the business' office, plant, and equipment are situated, the corporate income tax is immediately reduced to only twenty percent (20%). CREATE Law likewise rationalizes fiscal incentives by making them time-bound and performance-based.

Under the tax bill for the enactment of the Passive Income and Financial Intermediary Taxation Act ("PIFITA") (House Bill No. 304), there are several proposed amendments to the taxation of passive income, including the reduction of interest income from corporate bonds that may be considered as deposit substitutes. The PIFITA seeks to impose a uniform tax rate of 15% final withholding tax on all interest income, yield or other monetary benefit earned or received from a debt instrument, deposit and deposit substitute and similar arrangements, regardless of currency, maturity, issuer, pre-termination, and other differentiating factors.

TAXATION OF INTEREST

Interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income arising from Bonds as deposit substitutes derived by Philippine citizens, resident foreign individuals, domestic corporations, and resident foreign corporations from the Securities is subject to final withholding tax at the rate of 20%. Generally, interest on bonds or other deposit substitutes received by non-resident foreign individuals engaged in trade or business in the Philippines is subject to a 20% withholding tax while the tax rate for non-resident foreign individuals not engaged in trade or business is at 25%. Interest income derived by non-resident foreign corporations from the bonds or other deposit substitutes is subject to a reduced rate of 25% with retroactive effect from January 1, 2021 pursuant to the CREATE Law. The income tax is withheld at source and constitutes a final settlement of Philippine income tax liability with respect to such interest.

Deposit substitutes are defined under the Tax Code as “an alternative form of obtaining funds from the public (the term ‘public’ means borrowing from twenty (20) or more individual or corporate lenders at any one time), other than deposits, through the issuance, endorsement, or acceptance of debt instruments for the borrower’s own account, for the purpose of relending or purchasing of receivables and other obligations, or financing their own needs or the needs of their agent or dealer. These instruments may include, but need not be limited to, bankers’ acceptances, promissory notes, repurchase agreements, including reverse repurchase agreements entered into by and between the BSP and any authorized agent bank, certificates of assignment or participation and similar instruments with recourse: Provided, however, that debt instruments issued for interbank call loans with maturity of not more than five (5) days to cover deficiency in reserves against deposit liabilities, including those between or among banks and quasi-banks, shall not be considered as deposit substitute debt instruments.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party to generally provide for a reduced tax rate of 10% or 15% in cases where the interest arises in the Philippines and is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest, who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment. Thus, non-resident foreign bondholders who maintain and conduct business activities in the Philippines may not qualify for reduced withholding tax treaty rates on interest payments because they may be considered as having a taxable presence in the Philippines by reason of such business activities. Thus, availing of such reduced tax treaty rates will require confirmation of entitlement thereto from the BIR, as discussed below.

Revenue Memorandum Order No. 14-2021 (Streamlining the Procedures and Documents for the Availment of Treaty Benefits, dated March 31, 2021) modified Revenue Memorandum Order No. 72-2010 (Guidelines on the Processing of Tax Treaty Relief Applications (“TTRA”) Pursuant to Existing Philippine Tax Treaties dated August 25, 2010) and Revenue Memorandum Order No. 08-2017 (Procedure for Claiming Tax Treaty Benefits for Dividend, Interest and Royalty Income of Nonresident Income Earners dated October 24, 2016) are among the BIR regulations which have to be complied with to avail of preferential tax treatment under an applicable tax treaty. Under Revenue Memorandum Order No. 14-2021, Issuer may apply the preferential tax treaty rate on the interest income of the non-resident foreign Bondholder by relying on the submission by such Bondholder of the following documents before the interest income is paid: (a) on an application form for tax treaty purposes (BIR Form 0901-I for interest), (b) an authenticated or apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the Bondholder, and (c) the relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on interest income. Failure to submit these documents will lead to withholding using the regular rates prescribed under the Tax Code, as amended, for nonresident foreign corporations or nonresident aliens not engaged in trade or business, as the case may be, and not the treaty rate. If the tax treaty rate was applied by the Issuer, it will file with the BIR’s International Tax Affairs Division (“ITAD”) a request for confirmation of the use of the tax treaty rate after the payment of the withholding tax no later than the last day of the fourth month following the close of the relevant taxable year with supporting documents specified in Revenue Memorandum Order No. 14-2021. If the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits, the request for confirmation will be denied and the BIR will require the Issuer to pay the deficiency taxes with penalties. In case the Issuer used the regular rate under the Tax Code, the non-resident foreign Bondholder may

file a tax treaty relief application (“TTRA”) with ITAD after it has received the dividend income with supporting documents specified in Revenue Memorandum Order No. 14-2021. If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient’s entitlement to treaty benefits, and the Bondholder may apply for a refund of excess withholding tax within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the Bondholder may be filed simultaneously with the TTRA.

TAX-EXEMPT STATUS

Bondholders who are exempt from or are not subject to final withholding tax on interest income may claim such exemption by submitting necessary documents. Said Bondholder shall submit the following requirements to the Registrar, or to the Joint Lead Underwriters (together with their completed Application to Purchase) who shall then forward the same to the Registrar: (i) a current and valid BIR certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption from taxation of interest on fixed income securities; (ii) a duly notarized undertaking, in prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the Bonds for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippines law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities’ tax-exempt status or preferential rate entitlement, undertaking to immediately notify PHINMA and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificate or preferential rate entitlement, and agreeing to indemnify and hold PHINMA and the Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; provided further that, all sums payable by PHINMA to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption or reasonable evidence of such exemption to the Registrar and Paying Agent.

Bondholders may transfer their Bonds at any time, regardless of the tax status of the transferor vis-à-vis the transferee. Should a transfer between Bondholders of different tax status occur on a day which is not an Interest Payment Date, tax-exempt entities trading with non-tax exempt entities shall be treated as non-tax exempt entities for the interest period within which such transfer occurred. Transfers taking place in the Registry of Bondholders after the Bonds are listed on PDEX shall be allowed between non-tax-exempt and tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions, and guidelines of PDEX and PDTC.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the required supporting documents within three (3) days of such transfer.

VALUE-ADDED TAX

Gross receipts arising from the sale of the Bonds in the Philippines by Philippine-registered dealers in securities and lending investors shall be subject to 12% VAT.

“Dealer in securities” means a merchant of stock or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who, as a merchant, buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom.

GROSS RECEIPTS TAX

Bank and non-bank financial intermediaries are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions, and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

Maturity period is five years or less: 5%
Maturity period is more than five years: 1%

Non-bank financial intermediaries not performing quasi-banking functions doing business in the Philippines are likewise subject to gross receipts tax. Gross receipts of such entities derived from sources within the Philippines from interests, commissions, and discounts from lending activities are taxed in accordance with the following schedule based on the remaining maturities of the instruments from which such receipts are derived:

Maturity period is five years or less: 5%
Maturity period is more than five years: 1%

In case the maturity period referred above is shortened through pre-termination, then the maturity period shall be reckoned to end as of the date of pre-termination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the Bonds shall be taxed at 7%.

DOCUMENTARY STAMP TAX

A documentary stamp is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as the Bonds, at the rate of ₱1.50 for each ₱200, or fractional part thereof, of the offer price of such debt instruments; provided that, for debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to three hundred sixty-five (365) days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred when the obligation or right arises from Philippine sources, or the property is situated in the Philippines.

No documentary stamp tax is imposed on the subsequent sale or disposition of bonds as long as there is no change in the maturity date or in the remaining period of coverage or the material terms and conditions of the Bonds, or there is no renewal or no issuance of new Bonds in the name of the transferee, or no novation of the Bonds, and trading the Bonds in a secondary market or through an exchange. However, if the transfer constitutes a renewal of the Bonds, documentary stamp tax is payable anew.

TAXATION ON SALE OR OTHER DISPOSITION OF THE BONDS

Under the Tax Code, gains realized from the sale, exchange, or retirement of bonds, debentures, and other certificates of indebtedness with an original maturity date of more than five years (as measured from the date of issuance of such bonds, debentures, or other certificates of indebtedness) shall not be subject to income tax. As the Bonds have a maturity of less than five (5) years, any gain realized by a Bondholder from the trading of the Bonds shall be subject to regular individual or corporate income tax, as the case may be.

In the case of Bonds held as an ordinary asset, the gain is included in the computation of taxable income, which is subject to the following graduated tax rates for Philippine citizens or resident foreign individuals, or non-resident alien engaged in trade or business in the Philippines effective January 1, 2018, until December 31, 2022:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	20% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱30,000 + 25% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱130,000 + 30% of the excess over ₱800,000
Over ₱2,000,000 but not over ₱8,000,000	₱490,000 + 32% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,410,000 + 35% of the excess over ₱8,000,000

and effective January 2, 2023, and onwards:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	15% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱22,500 + 20% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱102,500 + 25% of the excess over ₱800,000
Over ₱2,000,000 but not over ₱8,000,000	₱402,500 + 30% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,202,500 + 35% of the excess over ₱8,000,000

For non-resident aliens not engaged in trade or business, the gain shall be subject to the 25% final withholding tax. Gains derived by domestic or resident foreign corporations on the sale or other disposition of the bonds or other deposit substitutes are subject to a reduced rate of 25%, with retroactive effect from July 1, 2020 as provided in the CREATE Law. Gross income derived by non-resident foreign corporations on the sale or other disposition of the bonds or other deposit substitutes is subject to a reduced rate of 25%, with retroactive effect from January 1, 2021 pursuant to CREATE Law unless a preferential rate is allowed under a tax treaty subject to compliance with BIR regulations and such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Any gains realized by non-residents on the sale of the bonds or other deposit substitutes may be exempt from Philippine income tax under an applicable tax treaty subject to compliance with BIR regulations and such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

In case of the Bonds which are held as capital assets, individuals or corporate bondholders shall be subject to the full amount of the capital gain or loss recognized upon the sale or exchange of a capital asset if such Bonds have been held for less than 12 months. If such Bonds have been held for more than 12 months, then in the case of an individual Bondholder, only 50% of the capital gain or loss is recognized while 100% of the capital gain or loss is recognized in the case of corporate Bondholders. Any gains realized by non-residents on the sale of the Bonds may be exempt from Philippine income tax under an applicable tax treaty.

The pending legislation for the enactment of the PIFITA, as described above, also seeks to revoke the exemption of income arising from the sale, barter, or exchange of long-term bonds and certificates of indebtedness in general from being considered as part of taxable gross income subject to regular or ordinary graduated income tax for individuals, and 25% regular corporate income tax or 1% or 2% minimum corporate income tax, as the case may be, for domestic and resident foreign corporations, and 25% final withholding tax for non-resident foreign corporations with retroactive effect from January 1, 2021 pursuant to the CREATE Law.

ESTATE AND DONOR'S TAX

The transfer by a deceased person, whether a Philippine resident or non-Philippine resident, to his heirs of the Bonds, shall be subject to an estate tax which is levied on the net estate of the deceased at a fixed rate of 6%. A Bondholder shall be subject to donor's tax on the transfer of the Bonds by gift at a fixed rate of 6% of the net gifts made during the calendar year in excess of ₱250,000. The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

The estate tax and donor's tax, in respect of the Bonds, shall not be collected (a) if the deceased at the time of 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 deceased 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 the foreign country.

In case the Bonds are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the Bonds exceeded the value of the consideration may be deemed a gift and may be subject to donor's taxes. However, a sale, exchange, or other transfer made in the

ordinary course of business (a transaction which is bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

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