

02 February 2024

**PHILIPPINE STOCK EXCHANGE, INC.**

6/F Philippine Stock Exchange Tower  
5<sup>th</sup> Avenue, 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

**Attention:** **Ms. Alexandra D. Tom Wong**  
*OIC, Disclosure Department*

**Re:** **Issuance of 14.0M Preferred Shares Series E**

Gentlemen:

This refers to your correspondence dated 01 February 2024 requesting for the following additional information regarding the Subscription Agreement for the issuance to and subscription by Manchesterland Properties, Inc. (MPI) to 14.0M Preferred Shares Series E of **Arthaland Corporation (the “Corporation”)** at the subscription price of ₱1.00 per share:

1. *Benefits which are expected to be accrued to the listed issuer as a result of the transaction*

The subscription is being made in compliance with Section 37 of the Revised Corporation Code. This will allow the Corporation to increase its authorized capital stock and amend its Articles of Incorporation accordingly. This is similar to the Corporation’s issuance of Preferred Shares Series A in 2016.

2. *The basis upon which the consideration or the issue value was determined*

The issue price of Preferred Shares Series E is equivalent to the par value thereof.

3. *Timetable for the implementation of the transaction*

As stated in the disclosure made on 31 January 2024, the Corporation approved the issuance of 14.0M Preferred Shares Series E at an offer price of ₱1.00 per share, where 1.50M will be issued from its existing authorized capital stock, while 12.50M will be issued upon approval by the Securities and Exchange Commission (SEC) of the amendment of Article SEVENTH of its Articles of Incorporation following the stockholders’ approval of the increase of the authorized capital stock by ₱50.0M with the creation of 50.0 preferred shares with the par value of ₱1.00 per share.

MPI subscribed to the entire 14.0M Preferred Shares Series E and paid the full subscription price for the 1.50M, or the amount of ₱1.50M, in cash upon its execution of the Subscription Agreement today, 02 February 2024. The Corporation will issue the corresponding stock certificate accordingly.

Insofar as the 12.50M Preferred Shares Series E, MPI shall pay 25% of the subscription price, or ₱3,125,000.00, in cash upon its execution of the Subscription Agreement also today, and this will be initially recorded in the books of the Corporation as “Deposit for Future Subscription” pending approval by the SEC of the amendment of Article SEVENTH of the Corporation’s Articles of Incorporation. The balance of the subscription price, or the amount of ₱9,375,000.00, shall become due upon SEC’s approval of the capital increase and amendment of the said Articles of Incorporation, and the corresponding stock certificate will be issued thereafter.

4. *Corporate background of Manchesterland Properties, Inc.*

MPI is a wholly owned subsidiary of the Corporation incorporated on 27 March 2008. It is the registered owner of the commercial units located in Arya Plaza and several parking slots in Arya Residences.

Please recall that when the Corporation initially increased its authorized capital stock in 2016 and created 50.0M preferred shares with a par value of ₱1.00 per share, it issued 12.50M Preferred Shares Series A to MPI. Also, MPI holds in its name 4,795,000 common shares of the Corporation.

5. *The interest which directors of the parties to the transaction have in the proposed transaction*

There is none other than to allow the Corporation to secure regulators’ approval of the capital increase and amendment of its Articles of Incorporation.

6. *Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders*

Among the conditions for the issuance of Preferred Shares Series E is that, they are subordinated to other preferred shares to be issued by the Corporation subsequently to the public (“Public Preferred Shares”). Further, the Corporation’s obligations to Preferred Shares Series E will not be satisfied unless it can satisfy in full all of its other obligations ranking senior to the Preferred Shares Series A and Series E, including the Public Preferred Shares.

7. *Effect(s) on the ownership structure*

Principal Shareholders	Before		After	
	Number of Shares	%	Number of Shares	%
CPG Holdings, Inc.	2,017,619,910	40.28	2,017,619,910	40.28
AO Capital Holdings, 1, Inc.	1,383,730,000	26.02	1,383,730,000	26.02

8. *Effect(s) on the capital structure*

Issued Shares		
Type of Security/Stock Symbol	Before	After
Common (ALCO)	5,318,095,199	5,318,095,199

Preferred Shares Series A	12,500,000	12,500,000
Preferred Shares Series C (ALCPC)	10,000,000	10,000,000
Preferred Shares Series D (ALCPD)	6,000,000	6,000,000
Preferred Shares Series E	0	14,000,000

<b>Outstanding Shares</b>		
<b>Type of Security/Stock Symbol</b>	<b>Before</b>	<b>After</b>
Common (ALCO)	5,318,095,199	5,318,095,199
Preferred Shares Series A	12,500,000	12,500,000
Preferred Shares Series C (ALCPC)	10,000,000	10,000,000
Preferred Shares Series D (ALCPD)	6,000,000	6,000,000
Preferred Shares Series E	0	14,000,000

<b>Treasury Shares</b>		
<b>Type of Security/Stock Symbol</b>	<b>Before</b>	<b>After</b>
Preferred Shares Series B	20,000,000	0 <sup>1</sup>

<b>Listed Shares</b>		
<b>Type of Security/Stock Symbol</b>	<b>Before</b>	<b>After</b>
Common (ALCO)	5,318,095,199	5,318,095,199
Preferred Shares Series A	0	0
Preferred Shares Series C (ALCPC)	10,000,000	10,000,000
Preferred Shares Series D (ALCPD)	6,000,000	6,000,000
Preferred Shares Series E	0	0

9. *Any conditions precedent to closing of the transaction*


The subscription to 1.5M Preferred Shares Series E will be closed today, while that for the 12.5M Preferred Shares Series E is conditioned on SEC's approval of the amendment of Article SEVENTH of the Corporation's Articles of Incorporation.

10. *Any other relevant information*

The other terms and conditions of the issuance of Preferred Shares Series E were already disclosed on 31 January 2024.

We trust you find the foregoing in order.

Very truly yours,

  
**RIVA KRISTINE V. MAALA**  
*Corporate Secretary and General Counsel*

<sup>1</sup> The Corporation will also be seeking regulators' approval of the decrease of its authorized capital stock by ₱20.0M to cancel the 20.0M Preferred Shares Series B (ALCPB) which were redeemed in December 2021.

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Feb 2, 2024

2. SEC Identification Number

ASO-94-007160

3. BIR Tax Identification No.

004-450-721-000

4. Exact name of issuer as specified in its charter

ARTHALAND CORPORATION

5. Province, country or other jurisdiction of incorporation

Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

7/F Arthaland Century Pacific Tower, 5th avenue corner, 30th street, BGC, Taguig city  
Postal Code  
1634

8. Issuer's telephone number, including area code

+63284036910

9. Former name or former address, if changed since last report

Not Applicable

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	5,318,095,199
Preferred - Series A	12,500,000
Preferred - Series B	20,000,000
Preferred - Series C	10,000,000
Preferred - Series D	6,000,000

11. Indicate the item numbers reported herein

Item 9 - Other Events

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



# Arthaland Corporation

## ALCO

**PSE Disclosure Form 4-15 - Creation and Issuance of New Equity Security**  
**References: SRC Rule 17 (SEC Form 17-C) and**  
**Section 4.4 of the Revised Disclosure Rules**

### Subject of the Disclosure

Preferred Shares Series E

### Background/Description of the Disclosure

Manchesterland Properties, Inc., (MPI) a wholly owned subsidiary of the Corporation, subscribed to Preferred Shares Series E equivalent to 14,000,000 at the price of Php1.00 per share. The subscription is being made in compliance with Section 37 of the Revised Corporation Code. This will allow the Corporation to increase its authorized capital stock and amend its Articles of Incorporation accordingly. This is similar to the Corporation's issuance of Preferred Shares Series A in 2016.

### Date of approval by Board of Directors of the creation and/or issuance of a new security

Jan 31, 2024

### Rationale for the creation and/or issuance

The issuance of Preferred Shares Series E is intended to meet the requirements of the regulators for purposes of implementing the increase of the Corporation's authorized capital stock.

## Features of the new security

### If convertible

Conversion or entitlement ratio	N/A
Corresponding number of underlying shares with percentage to total outstanding shares	N/A
Conversion price or exercise price	N/A
Provisions for adjustment(s) in conversion ratio and/or conversion period	N/A

### If redeemable

Redemption price	To be determined
Redemption period	To be determined

### Method and/or procedures in redemption

Redemption is optional and applicable only if all preferred shares ranking pari passu with the preferred shares offered to the public have been fully redeemed.

#### Terms and conditions of the issuance

Number of shares to be issued	14,000,000
Corresponding percentage to total outstanding shares	0.17
Issue price per share	1.00
Aggregate value of consideration	Php14,000,000.00

#### Source of shares available for issuance

1,500,000 Preferred Shares Series E will be issued from the authorized capital stock of the Corporation, and 12,500,000 Preferred Shares Series E will be issued upon approval by the Securities and Exchange Commission of the amendment of the Corporation's Article Seventh of its Articles of Incorporation on the increase of its authorized capital stock by Php50,000,000.00 consisting of 50,000,000 preferred shares with par value of Php1.00 per share.

#### Basis upon which the issue value was determined

The issue price of Preferred Shares Series E is equivalent to the par value thereof.

#### Terms of payment

Insofar as the 1.5M Preferred Shares Series E, MPI paid the full subscription price for the 1.5M, or the amount of Php1.5M, in cash upon its execution of the Subscription Agreement today, 02 February 2024.

Insofar as the 12.50M Preferred Shares Series E, MPI shall pay 25% of the subscription price, or Php3,125,000.00, in cash upon its execution of the Subscription Agreement also today, and this will be initially recorded in the books of the Corporation as "Deposit for Future Subscription" pending approval by the SEC of the amendment of Article SEVENTH of the Corporation's Articles of Incorporation.

#### Timetable and manner of issuance

MPI subscribed to the entire 14.0M Preferred Shares Series E and paid the full subscription price for the 1.50M, or the amount of P1.50M, in cash upon its execution of the Subscription Agreement today, 02 February 2024. The Corporation will issue the corresponding stock certificate accordingly.

As stated in the disclosure made on 31 January 2024, the Corporation approved the issuance of 14.0M Preferred Shares Series E at an offer price of Php1.00 per share, where 1.50M will be issued from its existing authorized capital stock, while 12.50M will be issued upon approval by the Securities and Exchange Commission (SEC) of the amendment of Article SEVENTH of its Articles of Incorporation following the stockholders' approval of the increase of the authorized capital stock by P50.0M with the creation of 50.0 preferred shares with the par value of Php1.00 per share.

Insofar as the 12.50M Preferred Shares Series E, MPI shall pay 25% of the subscription price, or Php3,125,000.00, in cash upon its execution of the Subscription Agreement also today, and this will be initially recorded in the books of the Corporation as "Deposit for Future Subscription" pending approval by the SEC of the amendment of Article SEVENTH of the Corporation's Articles of Incorporation. The balance of the subscription price, or the amount of Php9,375,000.00, shall become due upon SEC's approval of the capital increase and amendment of the said Articles of Incorporation, and the corresponding stock certificate will be issued thereafter.

#### Effect(s) on the ownership structure, including the list of principal shareholders with their corresponding shareholdings and percentage ownership to total outstanding shares before and after the transaction

Principal Shareholders	Before		After	
	Number of shares	%	Number of shares	%
CPG Holdings, Inc.	2,017,619,910	40.28	2,017,619,910	40.28

AO Capital Holdings, 1. Inc.	1,383,730,000	26.02	1,383,730,000	26.02
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## Effect(s) on the capital structure

### Issued Shares

Type of Security/Stock Symbol	Before	After
Common	5,318,095,199	5,318,095,199
Preferred Shares Series A	12,500,000	12,500,000
Preferred Shares Series C	10,000,000	10,000,000
Preferred Shares Series D	6,000,000	6,000,000
Preferred Shares Series E/ To be determined	0	14,000,000

### Outstanding Shares

Type of Security/Stock Symbol	Before	After
Common	5,318,095,199	5,318,095,199
Preferred Shares Series A	12,500,000	12,500,000
Preferred Shares Series C	10,000,000	10,000,000
Preferred Shares Series D	6,000,000	6,000,000
Preferred Shares Series E/ To be determined	0	14,000,000

### Treasury Shares

Type of Security/Stock Symbol	Before	After
Preferred Shares Series B	20,000,000	20,000,000

### Listed Shares

Type of Security/Stock Symbol	Before	After
Common	5,318,095,199	5,318,095,199
Preferred Shares Series C	10,000,000	10,000,000
Preferred Shares Series D	6,000,000	6,000,000
Preferred Shares Series E/ To be determined	0	14,000,000

Effect(s) on the public float, if any	None
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Effect(s) on foreign ownership level, if any	None
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### Other Relevant Information

The other terms and conditions of the issuance of Preferred Shares Series E were already disclosed on 31 January 2024.