

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 12-1, AS AMENDED

REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE

SECURITIES AND EXCHANGE COMMISSION
 RECEIVED
 August 29, 2017
 9:10 AM

1. SEC Identification Number: **CS201407046**
2. **AZALEA LEISURE RESIDENCES CORPORATION**
 Exact name of registrant as specified in its charter
3. **METRO MANILA, PHILIPPINES**
 Province, country or other jurisdiction of incorporation or organization
4. **008-753-964**
 BIR Tax Identification Number
5. **Establishment, operation, maintenance, and management of a membership/vacation club**
 General character of business of registrant.
6. Industry Classification Code: (SEC Use Only)
7. **No. 76 PGM Building, Calbayog Street, Highway Hills, Mandaluyong City, Metro Manila 1550**
Telephone: (02) 634 7742 / (02) 635 2077
Fax: (02) 634 7742 loc. 114
 Address, including postal code, telephone number, FAX number including area code, of registrant's principal offices
8. **Not applicable**
 If registrant is not resident in the Philippines, or its principal business is outside the Philippines, state name and address including postal code, telephone number and FAX number, including area code, and email address of resident agent in the Philippines.
9. Fiscal Year Ending Date (Month and Day) : **31 December**

Computation of Registration Fee

Title of each class of securities to be registered	Amount to be registered	Proposed Maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee

Registration Statements filed pursuant to Section 12 of the Code shall be accompanied by a fee as follows:

Maximum aggregate price of securities to be offered	Amount of filing fee
Not more than P500 Million	0.10% of the maximum aggregate price of the securities to be offered
More than P500 Million but not more than P750 Million	P500,000 plus 0.075% of the excess over P500 Million
More than P750 Million but not more than P1 Billion	P687,500 plus 0.05% of the excess over P750 Million
More than P1 Billion	P812,500 plus 0.025% of the excess over P1 Billion

In the case of warrants which have no issue value, the filing fee shall be P50,000.

A legal research fee of 1% of the filing fee paid for filings made pursuant to SRC Rule 8.1 shall also be paid at the time of the filing.

PART I - INFORMATION REQUIRED IN PROSPECTUS
(SEE PART 1 WHICH IS ATTACHED HERETO
AND MADE AN INTERGRAL PART HEREOF)

**PART II - INFORMATION INCLUDED IN REGISTRATION STATEMENT
BUT NOT REQUIRED IN PROSPECTUS**
(SEE PART 2 WHICH IS ATTACHED HERETO
AND MADE AN INTERGRAL PART HEREOF)

--- Signatures on the next page --

SIGNATURES

Pursuant to the requirements of the Code, this registration statement is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of MANDALUYONG CITY on AUG 14 2017.

By:


LONY R. CAPELLAN
Chairman


MERCEDITAS P. YUTUK
President/Chief Executive Officer


IAN NORMAN E. DATO
Corporate Secretary



TERESA C. SECUYA
Treasurer

AUG 14 2017

SUBSCRIBED AND SWORN to before me this _____ day of _____ at MANDALUYONG CITY exhibiting to me the following competent evidence of identity:

Name	Identification
Lony R. Capellan	TIN 108-292-683
Merceditas P. Yutuk	TIN 136-617-527
Ian Norman E. Dato	TIN 207-277-177
Teresa C. Secuya	TIN 129-311-121

Doc. No. 435;
Page No. 87;
Book No. 170;
Series of 2017.


ATTY. JOSE B. DULNUAN
NOTARY PUBLIC
FOR THE CITY OF MANDALUYONG
Until December 31, 2017
COMMISSION NO. 0458-16
IBP Lifetime No. 0010385 / Pasig City, 4-27-2017
PTR NO. 69252527, 1-3-17, Calatagan, Rizal
ROLL NO. 26304
ACLE COMP. NO. V-3022171, 6-15-16
VALID UNTIL 04-14-2019
E-MAIL: jdulnuan@mandaluyong.gov.ph
OFFICE: jdulnuan@mandaluyong.gov.ph
MANDALUYONG CITY
TEL: _____
www.mandaluyong.gov.ph

PROSPECTUS

AZALEA LEISURE RESIDENCES CORPORATION (ISSUER)

RELATING TO THE SECONDARY OFFERING OF UP TO
102,030 PREFERRED SHARES
(REPRESENTING CLUB MEMBERSHIPS IN AZALEA VACATION CLUB) AS
FOLLOWS:

Preferred Share Type	Number of Shares	Offer Price (VAT Inclusive) (in PhP)
A	72,674	77,880
B	10,740	101,640
C	15,752	131,880
D	2,864	162,360
Total	102,030	

This Prospectus is dated 10 August 2017

8990 HOUSING DEVELOPMENT CORPORATION (SELLING SHAREHOLDER)

The Offer Shares will be sold over-the-counter by and through SEC-registered salespersons.

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

MERCEDITAS P. YUTUK
President
Azalea Leisure Residences Corporation

SUBSCRIBED AND SWORN to before me this AUG 11 2017 2017 at MANDALUYONG CITY,
affiant exhibiting to me her TIN 136-617-527.

Doc. No. 247;
Page No. 50 ;
Book No. 170 ;
Series of 2017.

ATTY. JOSE B. DULNUAN
NOTARY PUBLIC
FOR THE CITY OF MANDALUYONG
Until December 31, 2017
COMMISSION NO. 0458-16
IBP Lifetime No. 0016085 / Pasig City, 4-27-2017
PTR NO. 69252527, 1-3-17, Cainta, Rizal
ROLL NO. 26304
MCLE COMP. NO. V-0022171, 6-15-16
VALID UNTIL 04-14-2019
D-22-AB GUEVENTVILLE II, 52 D.M.
GUEVARA ST., MANDALUYONG CITY
Tel No. 532-8858, 5334664
Email Add: jbdulnuan@gmail.com

BRIEF SUMMARY OF THE OFFERING

THE OFFER

Azalea Leisure Residences Corporation (the "Company"), doing business under the name "Azalea Vacation Club" proposes to sell on a secondary basis, for and in behalf of 8990 Housing Development Corporation ("8990 HDC")(the "Seller" or "Selling Shareholder") to the general public an aggregate of One Hundred Two Thousand Thirty (102,030) Preferred Shares (the "Offer Shares") of the Company, as follows (the "Offer"):

Preferred Share Type	Number of Shares	Offer Price (VAT Inclusive) (in PhP)
A	72,674	77,880
B	10,740	101,640
C	15,752	131,880
D	2,864	162,360
Total	102,030	

The Offer Shares are currently owned by 8990 HDC.

The Company, on behalf of the Selling Shareholders, is offering to the general public the opportunity to acquire at least one Offer Share. Any person or entity regardless of citizenship or nationality may acquire the Offer Shares.

The Selling Shareholders expect to raise gross proceeds of up to Php9,293,837,520.00 from the Offer.

The Offer is conditioned on the approval by the Securities and Exchange Commission (the "SEC" or the "Commission") of the Registration Statement filed by the Company in connection with the Offer.

BRIEF DESCRIPTION OF AZALEA VACATION CLUB

Azalea Vacation Club (the "Club") is the tradename of Azalea Resort and Vacation Club, Inc. It is a membership club that has or will have hotels, resorts and facilities in key cities and destinations in the Philippines for the exclusive use of its members and their guests.

The Club is the owner of Azalea Hotels and Residences Boracay. It is a two hundred eighty five (285) room hotel located in the main tourist area of Boracay within the Boracay Tambisaan Jetty Port Road.

Subject to expansion policies and programs to be decided by the Board of Directors, the Club will construct or contribute to the construction of other hotels, resorts, and facilities in key destinations in the Philippines.

BRIEF DESCRIPTION OF THE USE OF PROCEEDS FROM THE OFFERING

The proceeds of the Offer will exclusively be for the account of the Selling Shareholder. No amount of the proceeds will inure to the Club.

WHERE THE SECURITIES WILL BE TRADED

The Offer Shares will be sold over-the-counter by and through SEC-registered Salespersons.

DIVIDEND POLICY

Pursuant to the Club's Articles of Incorporation, Preferred Shareholders are not entitled to dividends. They are entitled to a pro rata share of the assets of the Company at the time of its dissolution or liquidation.

RISKS OF INVESTING

In making an investment decision, would-be Purchasers are advised to carefully consider all information contained in this Prospectus, including the following key points characterizing potential risks in an investment in the Offer Shares (enumerated by order of importance):

1. Risks Relating to the Company and its Business:

- a. Terrorism, security, and safety
- b. Contracts
- c. Organization
- d. Club facilities and amenities
- e. Club operations
- f. Conflict of interest
- g. Acts of God, typhoon, earthquakes, and other fortuitous events

2. Risks Relating to the Offer and the Offer Shares

- a. No Market Valuation of the Offer Shares
- b. Price level of the offer Shares
- c. Liquidity
- d. Membership Rules

3. Risks Relating to the Philippines

- a. Political and Economic Conditions
- b. Taxation
- c. Foreign Currency Fluctuation

SUMMARY OF FINANCIAL INFORMATION

Presented hereunder are the abbreviated Financial Statements of the Company (as of 31 December 2016), and 8990 HDC (as of 31 December 2016).

AZALEA LEISURE RESIDENCES CORPORATION

STATEMENT OF FINANCIAL CONDITION

as at December 31, 2016

(amount expressed in Philippine Peso)

ASSETS

	Note	<u>2016</u>
Current Assets		
Cash on hand and in banks	6	33,879,738
Accounts Receivable	8	125,908,346
Due from Contractor & Suppliers	7	25,942,325
Due from Others	9	9,836,981
Hotel Inventories	10	11,617,565
Prepayments	11	584,603
Total Current Assets		<u>207,769,557</u>
Noncurrent Assets		
Construction in Progress	12	-
Property & Equipment - net	12	920,862,488
Total Property & Equipment		<u>920,862,488</u>
Other Noncurrent Assets		
Input Tax	13	68,328,413
Creditable Tax		1,459,972
Prepaid Rent	14	-
Deferred Tax Asset	16	29,769,283
Deposit	15	3,793,846
Total other noncurrent assets		<u>103,351,513</u>
Total Noncurrent Assets		<u>1,024,214,001</u>
TOTAL ASSETS		<u><u>1,231,983,558</u></u>

LIABILITIES & STOCKHOLDERS' EQUITY

Current Liabilities		
Deposits from Customers	18	1,168,652
Accounts Payable-Trade	17	39,310,699
Retention payable	19	1,944,735
Accrued Expenses and Others Payable	20	310,418
Due to Related Party	21	101,641,128

Total Current Liabilities		<u>144,375,632</u>
Stockholders Equity		
Share Capital - Common Shares	22	993,750
Share Capital - Preferred Shares at par value	22	179,358
Additional Paid-in Capital -Preferred Shares	22	1,154,880,792
Retained Earnings (Deficit)		<u>(68,445,974)</u>
Total Stockholders' Equity		<u>1,087,607,926</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY		<u><u>1,231,983,558</u></u>

see accompanying Notes to Financial Statements

AZALEA LEISURE RESIDENCES CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2016
(amount expressed in Philippine Peso)

	Note	2016
Sales		238,900,031
Less: Cost of Sales		178,828,006
Gross Income		60,072,025
Less: Operating Expenses	24	60,146,127
Net Operating Income (Loss)		(74,102)
Add: Interest Income - net of final w/tax		159,008
Less: Finance Cost	24	(83,588)
Income (Loss) before Income Tax		1,318
Less: Provision for income tax - Deferred		-
Net Income (Loss)		1,318
Add: Other Comprehensive Income	16	-
Total Comprehensive Income (Loss)		1,318
Basic Earnings (Loss) per share		0

see accompanying Notes to Financial Statements

AZALEA LEISURE RESIDENCES CORPORATION
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2016
(amount expressed in Philippine Peso)

	2016
CASH FLOWS FROM OPERATING ACTIVITIES	
Income (Loss) before income tax	1,318
Adjustments for:	
Prior Period Adjustment	832,942
Depreciation	35,426,333
Interest income	(159,008)
Operating (loss) before changes in working capital	36,101,584
Changes in operating assets & liabilities	
Decrease (increase) in Assets:	
Due from Contractor & Suppliers	9,467,608
Due from Others	(10,010,481)
Accounts Receivable	(85,061,058)
Hotel Inventories	147,068
Prepaid Rent	12,395,833
Prepaid insurance	(94,907)
Input Tax	3,164,242
Security Deposit	(75,900)
(Decrease)increase in Liabilities:	
Deposits from Customers	629,238
Accounts Payable	30,225,234
Retention Payable	(2,020,075)
Accrued Expenses and Others Payables	(12,064,952)
Net cash (used in) operation	(17,196,566)
Income Tax Paid	(1,335,215)
Add: interest income received - net of final w/tax	159,008
Net Cash (Used in) Operating Activities	(18,372,772)
CASH FLOWS FROM INVESTING ACTIVITIES	
Addition to property and equipment	(243,721,211)
Purchase & take-over of Construction- in-Progress	
Additional cost of Construction-in-Progress	122,934,376
Net Cash (Used in) Investing Activities	(120,786,835)
CASH FLOWS FROM FINANCING ACTIVITIES	
Paid in capital stock at par - common share	618,745

Payment of car loan	-
paid-in preferred shares at par value	-
additional paid-in capital stock - preferred shares	-
Due to related party	18,963,407
Net Cash Provided by Financing Activities	19,582,152

NET INCREASE INCREASE(DECREASE) IN CASH	(119,577,456)
CASH AT BEGINNING OF YEAR	153,457,194
CASH AT END OF YEAR	33,879,738

see accompanying Notes to Financial Statements

AZALEA LEISURE RESIDENCES CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2016
(amount expressed in Philippine Peso)

	2016
Share Capital	
Paid-in Capital Stocks at par value -Common shares	993,750
Paid-in Capital stocks at par value -Preferred shares	179,358
Additional Paid-in Capital Stocks - Preferred shares	1,154,880,792
Total Share Capital	1,156,053,900
Retained Earnings (Deficit)	(68,445,974)
TOTAL STOCKHOLDERS' EQUITY	1,087,607,926

see accompanying Notes to Financial Statements

8990 HOUSING DEVELOPMENT CORPORATION
(A Wholly Owned Subsidiary of 8990 Holdings, Inc.)

STATEMENTS OF FINANCIAL POSITION
(Amounts in Philippine Pesos)

	December 31	
	2016	2015
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents (Note 6)	303,868,191	309,605,422
Trade and other receivables – net (Note 7)	1,382,833,895	738,784,822
Real estate inventories (Note 8)	4,223,100,618	2,735,057,359
Due from related parties (Note 26)	4,987,205,249	1,651,313,565
Other current assets – net (Note 14)	1,568,072,490	1,641,373,559
Total Current Assets	12,465,080,443	7,076,134,727
<i>Noncurrent Assets</i>		
Trade receivables (Note 7)	10,804,862,543	9,163,767,578
Available-for-sale securities (Note 9)	733,062,990	732,612,990
Land for future development (Note 10)	10,096,455,082	5,579,535,042
Property and equipment – net (Notes 11)	379,476,229	325,308,804
Investment properties – net (Notes 12)	186,836,574	189,247,642
Investments in subsidiaries and associate (Note 13)	2,439,955,860	1,671,333,360
Other noncurrent assets – net (Note 14)	100,291,916	86,693,241
Total Noncurrent Assets	24,740,941,194	17,748,498,657
	37,206,021,637	24,824,633,384
LIABILITIES AND EQUITY		
<i>Current Liabilities</i>		
Trade payables (Note 15)	429,338,164	883,603,921
Loans payable (Note 17)	6,349,077,923	1,736,719,492
Deposits from customers (Note 16)	289,720,637	279,323,637

Due to related parties (Note 26)	109,630,060	873,266,728
Income tax payable	77,146,726	115,821,411
Accrued expenses and other liabilities (Note 18)	780,000,014	586,019,036
Total Current Liabilities	8,034,913,524	4,474,754,225
Noncurrent Liabilities		
Trade payables (Note 15)	-	31,553,285
Loans payable (Notes 17 and 26)	12,148,165,119	8,217,033,430
Deferred tax liabilities – net (Note 25)	179,919,890	316,756,860
Accrued expenses and other liabilities (Notes 18 and 27)	9,434,566	8,268,209
Total Noncurrent Liabilities	12,337,519,575	8,573,611,784
Total Liabilities	20,372,433,099	13,048,366,009
Equity		
Capital stock (Note 19)	10,000,000,000	7,000,000,000
Equity reserve (Note 17)	2,012,726,482	2,012,726,482
Retained earnings (Note 19)	4,728,911,173	2,672,074,490
Remeasurement losses on pension liability (Note 27)	(4,887,191)	(5,371,671)
Revaluation surplus (Note 11)	96,838,074	96,838,074
Total Equity	16,833,588,538	11,776,267,375
	37,206,021,637	24,824,633,384

See accompanying Notes to Financial Statements.

8990 HOUSING DEVELOPMENT CORPORATION
(A Wholly Owned Subsidiary of 8990 Holdings, Inc.)

STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Philippine Pesos)

	Years Ended December 31	
	2016	2015
REVENUES (Note 20)		
<i>Real estate sales</i>	4,585,970,788	4,123,209,120
<i>Rental income (Notes 12 and 28)</i>	7,711,259	36,130,307
<i>Others</i>	76,322,000	28,534,756
	<u>4,670,004,047</u>	<u>4,187,874,183</u>
COSTS OF SALES AND SERVICES (Note 21)		
<i>Cost of real estate sales (Note 8)</i>	1,910,564,848	1,886,374,576
<i>Cost of rental services (Note 12)</i>	188,033	3,706,577
	<u>1,910,752,881</u>	<u>1,890,081,153</u>
GROSS INCOME	2,759,251,166	2,297,793,030
OPERATING EXPENSES (Note 23)	(908,539,996)	(871,909,507)
OTHER INCOME (Note 22)	829,885,758	714,103,128
FINANCE COSTS (Note 24)	(636,323,623)	(446,799,177)
INCOME BEFORE INCOME TAX	2,044,273,305	1,693,187,474
INCOME TAX BENEFIT (EXPENSE) (Note 25)	27,563,378	(202,238,865)
NET INCOME	2,071,836,683	1,490,948,609
OTHER COMPREHENSIVE INCOME (LOSS)		

Item that do not recycle to profit or loss in subsequent periods

Remeasurement gain (loss) on pension plan (Note 27)

484,480 (1,555,180)

TOTAL COMPREHENSIVE INCOME

2,072,321,163 1,489,393,429

See accompanying Notes to Financial Statements.

8990 HOUSING DEVELOPMENT CORPORATION
(A Wholly Owned Subsidiary of 8990 Holdings, Inc.)

STATEMENTS OF CHANGES IN EQUITY
(Amounts in Philippine Pesos)

	Capital Stock (Note 19)	Equity Reserve (Note 17)	Retained Earnings (Note 19)	Remeasurement Losses on Pension Liability (Note 27)	Revaluation Surplus (Note 11)	Total
Balance at January 1, 2016	P,=7,000,000,000	P,=2,012,726,482	P,=2,672,074,490	(P,=5,371,671)	P,=96,838,074	P,=11,776,267,375
Issuance of shares, net of stock issuance costs	3,000,000,000	-	(15,000,000)	-	-	2,985,000,000
Total comprehensive income	-	-	2,071,836,683	484,480	-	2,072,321,163
Balance at December 31, 2016	P,=10,000,000,000	P,=2,012,726,482	P,=4,728,911,173	(P,=4,887,191)	P,=96,838,074	P,=16,833,588,538
Balance at January 1, 2015	P,=6,000,000,000	P,=-	P,=1,696,125,881	(P,=3,816,491)	P,=96,838,074	P,=7,789,147,464
Issuance of shares, net of stock issuance costs	1,000,000,000	-	(5,000,000)	-	-	995,000,000
Additional investment of the Parent Company	-	2,012,726,482	-	-	-	2,012,726,482
Cash dividends	-	-	(510,000,000)	-	-	(510,000,000)
Total comprehensive income (loss)	-	-	1,490,948,609	(1,555,180)	-	1,489,393,429
Balance at December 31, 2015	P,=7,000,000,000	P,=2,012,726,482	P,=2,672,074,490	(P,=5,371,671)	P,=96,838,074	P,=11,776,267,375

See accompanying Notes to Financial Statements.

8990 HOUSING DEVELOPMENT CORPORATION
(A Wholly Owned Subsidiary of 8990 Holdings, Inc.)

STATEMENTS OF CASH FLOWS
(Amounts in Philippine Pesos)

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	2,044,273,305	1,693,187,474
Adjustments for:		
Interest income (Note 22)	(759,592,321)	(661,945,235)
Interest expense (Note 24)	636,323,623	446,799,177
Depreciation and amortization (Note 23)	35,257,248	24,811,371
Provision for (reversal of) credit and impairment losses (Note 23)	(20,871,105)	74,216,173
Provision for probable losses (Note 23)	20,652,370	5,175,387
Pension cost (Note 27)	1,249,002	1,188,956
Net gain on sale of property and equipment (Note 22)	(85,452)	(290,179)
Changes in operating assets and liabilities		
Increase in:		
Trade and other receivables (Note 30)	(1,553,383,568)	(971,897,463)
Real estate inventories (Note 30)	(1,773,763,984)	(1,234,985,867)
Other assets	(1,112,891,278)	(237,390,004)
Increase (decrease) in:		
Trade payables (Note 30)	(778,985,006)	(75,582,069)
Deposits from customers	10,397,000	95,217,168
Accrued expenses and other liabilities	173,328,607	114,637,424
Net cash used in operations	(3,078,091,559)	(726,857,687)
Interest received	758,682,891	659,685,880
Interest paid	(289,104,844)	(383,594,465)
Income taxes paid	(147,948,277)	(123,123,327)
Net cash used in operating activities	(2,756,461,789)	(573,889,599)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Land for future development (Notes 10 and 30)	(4,137,689,715)	(758,766,911)
Property and equipment (Note 11)	(90,917,300)	(37,121,860)
Investment properties (Note 12)	(227,880)	-
		(1,187,013,102)
Advances to landowners (Notes 14 and 30)	(87,084,840)	-
Investment in a joint operation (Note 14)	(19,717,558)	(8,502,410)

	Years Ended December 31	
	2016	2015
Proceeds from disposal of property and equipment	4,217,027	325,000
<i>Net cash used in investing activities</i>	<i>(4,331,420,266)</i>	<i>(1,991,079,283)</i>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from:

		14,387,157,20
Availment of loans payable (Notes 17 and 30)	10,597,001,000	8
Issuance of capital stock (Note 19)	3,000,000,000	-
Amount collected from (provided to) related parties (Notes 26 and 30)	(3,335,891,684)	2,478,316,839
		(10,166,752,237)
Repayments of loans payable	(2,400,327,824)	7
Amount received from (repaid to) related parties (Notes 26 and 30)	(763,636,668)	3,584,150,848
Payments of stock issuance costs (Note 19)	(15,000,000)	(5,000,000)
Cash dividend (Note 19)	-	(533,000,000)
Loan origination costs (Note 17)	-	(36,545,790)
<i>Net cash provided by financing activities</i>	<i>7,082,144,824</i>	<i>2,540,025,172</i>

NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,737,231)	(24,943,710)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	309,605,422	334,549,132
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	303,868,191	309,605,422

See accompanying Notes to Financial Statements.

Having made all reasonable inquiries and verification, the Company, through its Board of Directors, accepts full and sole responsibility for the information contained in this Prospectus and confirms that: (a) it contains all information on the Company and the Offer Shares, which, as of the date of this Prospectus, are material in the context of the Offer; (b) the information contained in this Prospectus are true and correct and are not misleading in any material respect; (c) the opinions and intentions expressed herein are honestly held; and (d) there are no other facts, the omission of which would make this Prospectus, in whole or in part, misleading in any material respect. The delivery of this Prospectus shall not, under any circumstances, create any impression or implication that any information herein is correct as of a time subsequent to the date of this Prospectus.

Market data and industry information used in this Prospectus were obtained from internal surveys, market research, publicly available information, and industry publications. Industry publications generally state that the information contained in them has been obtained from sources believed to be reliable but that the accuracy and completeness thereof is not guaranteed. Similarly, internal surveys, industry forecasts, and market research, while believed to be reliable, have not been independently verified and the Company does not make any representation as to their accuracy and completeness.

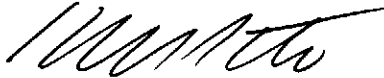
This Prospectus includes forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting its business and operations. Words including but not limited to “believes”, “may”, “will”, “estimates”, “continues”, “anticipates”, “intends”, “expects” and other similar words are intended to identify forward-looking statements. In light of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances in this Prospectus might not occur. The Company's actual results could differ significantly from those anticipated in the Company's forward-looking statements.

The Offer Shares are offered solely on the basis of the information contained and the representations made in this Prospectus. No dealer, salesman or other person has been authorized by the Company to issue any advertisement or to give any information or make any representation in connection with the Offer other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorized by the Company.

We have examined the contents of the attached Registration Statement and Prospectus and we certify that all legal matters in respect thereof are true and correct, based on the available information provided by the Corporation. We further certify that the contents of the adverted corporate documents are in accordance with applicable laws and regulations.

DATO INCIONG & ASSOCIATES

By:



IAN NORMAN E. DATO

All representations made by Azalea Leisure Residences Corporation in Azalea Vacation Club's Registration Statement and Prospectus, in respect of 8990 HDC and its Preferred Shares being offered for sale are certified true and correct.

8990 HOUSING DEVELOPMENT CORPORATION

By:



MARIANO D. MARTINEZ
Chairman

AUG 11, 2017

MANDALUYONG CITY

SUBSCRIBED AND SWORN to before me this _____ at _____
City, Philippines, affiant exhibiting to me the following competent evidence of
identity:

<i>Name</i>
Ian Norman E. Dato
Mariano D. Martinez

<i>Identification</i>
TIN No. 207-277-177
TIN No. 107-781-349

Doc. No. 249
Page No. 50;
Book No. 170
Series of 2017.

ATTY. JCSB B. DULNUAN
NOTARY PUBLIC

FOR THE CITY OF MANDALUYONG
Until December 31, 2017
COMMISSION NO. 0458-16
JBP License No. 0016085 / Pasig City 4-27-2017
PTR No. 09252527, 1-3-17, Cainta, Rizal
ROLL NO. 26304
MCLE COME NO. V-022171, 6-13-16
VALID UNTIL 04-14-2019
D-22-AB GUEVENTVILLE II, 32 D.M.
GUEVARA ST., MANDALUYONG CITY
Tel No. 532-8858, 5334664
Email Add: jbdulnuan@gmail.com

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GLOSSARY

Word or Term	Definition as used in this Prospectus and in the Registration Statement
Articles of Incorporation	The Articles of Incorporation of the Company, as may be amended from time to time with the approval of the Commission
Azalea Vacation Club	The Issuer (the term is interchangeable with "Company", "Corporation", and "Club")
Azalea Residences Boracay	The Hotel located in Boracay
BIR	The Bureau of Internal Revenue
Board of Directors	The Board of Directors of the Company
CGT	The Capital Gains Tax imposed on the gain derived from the sale of the Offer Shares
Club	The Azalea Vacation Club
Membership Rules	The rules and regulations promulgated by the Board of Directors or any duly authorized officer relating to all matters with respect to the Club, including without limitation rules and regulations concerning the availment, use and enjoyment of the facilities and services of the Club and the penalties, sanctions and disciplinary actions, including fines, suspension and expulsion, for any violation of the Membership rules and regulations
Commission	The Securities and Exchange Commission of the Philippines
Common Shares	The 5,000,000 Shares issued by the Company
Company	The Azalea Vacation Club (interchangeable with the words "Corporation" or "Club")
Corporation	The Azalea Vacation Club (interchangeable with the words "Company" or "Club")
Corporation Code	Batas Pambansa Blg. 68, otherwise known as "The Corporation Code of the Philippines", and its relevant implementing rules and regulations
DST	The Documentary Stamp Tax imposed on the sale of the Offer Shares
Hotel	The Azalea Residences Boracay
Independent Counsel	Dato Inciong & Associates for the general opinion; and Hagonia Sze & Co. for the tax opinion
Issuer	The Azalea Vacation Club (interchangeable with the words "Corporation", "Company" and "Club")

	the words "Corporation", "Company" and "Club")
Members	The Purchasers or the Shareholders after admission to the Club as evidenced by a Membership Certificate
Membership Dues	The fees, dues, charges and assessments levied on and collected from every Member for the maintenance, operation, development, and improvement of the Club and its facilities
Offer	The offering to the public of the Offer Shares subject of the Registration Statement
Offering	Interchangeable with "Offer"
Offer Period	The period commencing on the date immediately after the approval of the Registration Statement by the Commission
Offer Price	The price at which each Offer Share is sold to the public
Offer Shares	The secondary/preferred shares of the Issuer subject of the Offering
PhP	Philippine pesos, the lawful currency in the Philippines
Preferred Shares	The secondary shares subject of the Offering
Azalea-Owned Properties	Properties owned or operated by the Company
Prospectus	This Prospectus which contains essential information on the Offering
Purchase Agreement	The agreement between the Purchaser and the Company that starts the process of purchase of the Offer Share
Purchaser	Any person, whether natural or juridical, who seeks to purchase the Offer Share/s in accordance with the terms and conditions of the Prospectus
Registered Salesmen	Salesmen and marketing people who will be registered with the Commission pursuant to Section 28.2 of the SRC and to be engaged by the Company and the Selling Shareholders to sell the Offer Shares.
Registration Statement	The registration statement (and all its attachments) filed by the Company with the Commission in connection with the Offering
Registrant	The Azalea Leisure Residences Corporation
SEC	The Securities and Exchange Commission
Secondary Shares	The 102,030 preferred shares owned by 8990 HDC which will be offered for sale to the general public

Selling Shareholder	8990Housing Development Corporation ("8990 HDC")
Shareholders	The owners of the shares of stocks of the Company (interchangeable with "Stockholders")
Stockholders	The owners of the shares of stocks of the Company (interchangeable with "Shareholders")
Shares	The shares of stock of the Company regardless of class
SRC	Republic Act No. 8799, otherwise known as the "Securities Regulation Code", and its relevant implementing rules and regulations
VAT	Value Added Taxes on the sale of the Offer Shares
§	Shorthand for "Section", which refers to a provision of law

PROSPECTUS SUMMARY

Brief Description of the Company's Business

The Company was incorporated to establish, operate, maintain and manage the membership club called the "Azalea Vacation Club". The Club has existing and prospective facilities, amenities and services for lodging, dining, catering, meeting, sports, health, social, business, recreation, entertainment and/or other services for the exclusive use of the Club members and other persons who may be granted the right of use or otherwise allowed by the Club.

The Company was incorporated under Philippine laws and was issued its Certificate of Incorporation by the SEC on 11 April 2014. It has no subsidiary or any investment in the equity of any other company.

The Company believes that the following are its strengths and competitive advantages:

1. The management has vast experience in the real estate and property development sector. Thus, the choice and design of hotels, resorts and amenities are in tune with the discriminating taste and style of customers who drive the current real estate and property development market.
2. The management has been running and operating the Preferred Share Offering of Fog Horn, Inc. involving Azalea Residences Baguio since the SEC rendered effective its Registration Statement on 17 April 2015.
3. The corporate shareholder, 8990 HDC, has adequate capital resources to embark on ambitious projects that live up to the goals and objectives and standards of the Club's management.

THE OFFER

The Company is offering for sale to the public up to 102,030 Preferred Shares at the following Offer Price:

Preferred Share Type	Number of Shares	Offer Price (VAT Inclusive) (in PhP)
A	72,674	77,880
B	10,740	101,640
C	15,752	131,880
D	2,864	162,360
Total	102,030	

Accordingly, the estimated total proceeds of the Offer shall amount to Nine Billion Two Hundred Ninety Three Million Eight Hundred Thirty Seven Thousand Five Hundred Twenty Pesos (9,293,837,520.00), computed as follows:

Preferred Share Type	Number of Shares	Offer Price (VAT Inclusive) (in PhP)	Proceeds (in PhP)
A	72,674	77,880.00	5,659,851,120.00
B	10,740	101,640.00	1,091,613,600.00
C	15,752	131,880.00	2,077,373,760.00
D	2,864	162,360.00	464,999,040.00
Total	102,030		9,293,837,520.00

The Offer Shares are being made available for sale and purchase in the Philippines as well as in other jurisdictions, subject to the latter's applicable laws, rules and regulations.

The Offer Shares will represent the entirety of the Shareholder's Preferred Shares and amounts to around 42.4% of the Company's 240,442 Preferred Shares.

The Offer Period will commence as soon as the Securities and Exchange Commission approves and issues the Registration Statement.

Statistics Relating to the Offer Shares

Authorized capital stock	Php5,313,701.00
Shares outstanding before the Offer	1,500,000 Common Shares; 137,472 Preferred Shares
Offer Shares	102,030
Offer Price Per Offer Share	Preferred Share A – PhP77,880.00
	Preferred Share B – PhP101,640.00
	Preferred Share C – PhP131,880.00
	Preferred Share D – PhP162,360.00
Shares outstanding after the Offer	1,500,000 Common Shares; 137,472 Preferred Shares In the event that there are Offer Shares that will not be acquired, they shall remain under the ownership of 8990 HDC.
Maximum Proceeds	PhP9,293,837,520.00

INVESTMENT PROCEDURE AND TERMS AND CONDITIONS OF THE OFFER

Offer Shares Secondary Offering of 102,030 Preferred Shares owned by 8990 HDC.

In accordance with the Articles of Incorporation, the By-Laws, and the Membership Rules, only Members (or in their place, their duly authorized transferees) are entitled to exercise the membership right corresponding to their type of Preferred Share.

Preferred Shareholders are not entitled to vote and be voted for in all meetings of the Shareholders of the Corporation where such vote is called for, unless otherwise required by applicable laws.

Preferred Shareholders are not entitled to dividends. They shall have a pro rata share in the Corporation's net assets upon liquidation or dissolution.

Preferred Shareholders shall not have any preemptive or similar right with respect to any issuance or disposition of any shares of stock by or for the Corporation.

Subject to other consequences as may be provided in the Membership Rules, any unpaid Membership Dues shall constitute a lien on the Preferred Share, second only in preference to taxes due the government. If the outstanding Membership Dues remain unpaid for such period as the Board of Directors may prescribe, the Corporation has the right to foreclose on the said share, judicially and extrajudicially, in accordance with the applicable law.

Offer Price PhP77,880.00 for every Preferred Share "A"
PhP101,640.00 for every Preferred Share "B"
PhP131,880.00 for every Preferred Share "C"
PhP162,360.00 for every Preferred Share "D"

Offer Period Commencing immediately after the date of approval of the Registration Statement by the SEC.

**Eligible Investors and
Restrictions on
Ownership**

Any person, whether individual, corporate or other juridical personality and regardless of nationality or place of domicile, may subscribe to and purchase the Offer Shares.

There are no nationality restrictions on the ownership of the Offer Shares.

Procedure for Purchase

A purchaser must choose the type of Preferred Share he shall purchase by accomplishing a Purchase Agreement, available at the main selling office of the Corporation or furnished by any of the Corporation's authorized Salespersons nationwide. He must then pay a Reservation Fee in the average amount of PhP5,000.00. The Preferred Share shall be reserved for the prospective Purchaser for a period of fifteen (15) days (the "Cooling Period"). At the end of the Cooling Period, the Purchaser shall either make a full payment on the Preferred Share or pay the same in installment basis.

If the Purchaser pays the purchase price in full either in cash or credit/debit card, the Corporation and the Purchaser shall execute a Deed of Absolute Sale ("DOAS"). After payment of the required taxes on the share purchased and the issuance of the appropriate BIR return, the Corporation shall issue the Share Certificate together with the Club Membership Certificate in the name of the Purchaser. The issuance of the Share Certificate and the Club Membership Certificate shall be done not earlier than thirty (30) days but not later than sixty (60) days after the full payment on the Preferred Share.

If the Purchaser pays in full by check, the Corporation and the Purchaser shall execute a DOAS after the check has cleared and been credited to the account of the Corporation. After payment of the required taxes on the share purchased and the issuance of the appropriate BIR return, the Corporation shall issue the Share Certificate together with the Club Membership Certificate in the name of the Purchaser. The issuance of the Share Certificate and the Club Membership Certificate shall be done not earlier than thirty (30) days but not later than sixty (60) days after the full payment on the Preferred Share.

If the Purchaser makes an installment payment on the Preferred Share based on the terms and conditions explained to him clearly by the Corporation and adhered to by him voluntarily, the Corporation and the Purchaser shall execute a Subscription Agreement. The Subscription Agreement shall contain the dates when the first installment and the subsequent installments are due, the penalties and interest on late payments, and other pertinent provisions. After full payment of the purchase price for the Preferred Share and the issuance of the BIR clearance, the Corporation shall issue the Share Certificate together with the Club Membership Certificate in the name of the Purchaser. The issuance of the Share Certificate and the Club Membership Certificate shall be accomplished not earlier than thirty (30) days but not later than sixty (60) days after the full payment on the Preferred Share.

Should the Purchaser decide to discontinue the intended purchase, the Reservation Fee shall be refunded to him less the administrative fee of PhP3,000.00, within five (5) days from receipt of the written notice of discountenance/refund. If the Reservation Fee was paid by credit card, the refund shall be governed by the rules of the credit card company and the five (5)-day period is deemed superseded by the rules of the credit card company.

Payment Terms

The Purchaser may pay the Offer Price either in cash, credit card or by check drawn against a reputable bank in the Philippines.

Purchasers may also be allowed to pay the Offer Price for six (6), twelve (12), or thirty (30) monthly installments, or some other period determined by the Board of Directors, with interest.

Refunds

The Reservation Fee of PhP5,000.00 may be refunded before the end of the Cooling Period less the administrative fee of Php3,000.00. No request for discountinuance/refund of the reservation fee and any and all payments made shall be entertained after the end of the Cooling Period (reckoned from the date the Reservation Fee was paid).

Registration of Foreign Investments

The *Bangko Sentral ng Pilipinas* ("BSP") requires that investment of shares of stock funded by inward remittance of foreign currency be registered with the BSP if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the domestic banking system. Registration with the BSP of any foreign investments in the Offer Shares shall be the responsibility of the foreign Purchaser. The Purchaser shall also be responsible for the registration of his investment with any other government agency as may be required by law.

Restriction on Issuance and Disposal of Shares

The Corporation has the right of first refusal on the subsequent disposition of any Preferred Share. There is no lock-up period restricting any subsequent disposal of the Preferred Shares.

RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider the risks involved in the investment, some of which are described below in addition to the other information set forth in this Prospectus including the Company's financial statements and notes relating thereto included herein.

General Risk Warning

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

Past performance is not a guide to future performance.

There is an extra risk of losing money when securities are brought from smaller companies. There may be a big difference between the buying and selling price of these securities.

An investor deals in a range of investments each of which may carry a different level of risk.

Prudence Required

The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake his or her own research and study on the trading of securities before commencing any trading activity. He/she may request information on the securities and the issuer thereof from the Commission which are available to the public.

Professional Advice

An investor should seek professional advice if he or she is uncertain of, or has understood any aspect of the securities to invest in or nature of risks involved in trading

Risks Related to the Company and Its Business (enumerated by order of importance):

1. Terrorism, Security and Safety

Currently, there are no known criminal elements that will pose a significant threat to the Club premises. To the best of the Company's knowledge, there have been

no recorded incidents in the past where visitors of the Club were subjected to any form of violence. However, like other vacation clubs in the Philippine archipelago, the Company is cognizant of the potential threat of terrorism, thus it has engaged a security and safety expert to address this matter. In this regard, the Company has decided to implement the following, among other measures, to mitigate the risk of terrorism:

- a) Deployment of a core professional security force to secure the entire club premises;
- b) Organization and training for a local auxiliary security force; and,
- c) Training and cooperation with local city and barangay officials.

2. Contracts

The Company may develop its current and future projects with joint venture partners, operators and sub-contractors. Any contract or joint venture entered into by the Company carries risks associated with the failure of the parties to perform their contractual obligations. Failure by any party to deliver its obligations may adversely affect the Company's operations or may make the project not feasible. To mitigate this risk, the Company carefully selects partners, operators and sub-contractors.

3. Subject property is covered by a Contract of Lease

The Company leased from 8990 HDC a lot on which Azalea Residences Boracay is situated for a period of fifty (50) years, renewable for a period of twenty-five (25) years.

This can be handled appropriately by the administration personnel or financial officer of the company. Both the lessor and the lessee belong to related or associated companies, so this risk may not be alarming as it seems to be.

4. Organization

The Company's performance is highly dependent on its management team, which consists of experienced professionals in the areas of finance, management, and real estate development. These individuals are committed to the principles of good governance. The loss of any key member of the management team may result in disruption of the Company's operations and may adversely affect its financial condition and results of operations. The future success of the Company will depend on retaining and attracting competent qualified personnel. To mitigate such risks, the company offers competitive working conditions to retain and attract qualified personnel and intends to correspondingly develop suitable human resources management strategies and policies.

5. Club facilities and amenities

The Company will have the sole right to decide the number, quality and other characteristics and facilities and amenities to be offered by the Club. Members, however, have the right to offer suggestions with regard to the Club's facilities and amenities which the Board of Directors and management of the Company may consider at its sole discretion.

6. Club Operations

The Company may, at the discretion of its Board of Directors, operate its hotels directly or engage a duly-licensed experienced hotel management company to perform such function. The Company, however, shall, at all times, exercise control and supervision over the Club's operations in order to ensure the proper maintenance of the Club. Members may notify the Club's management of any concern or issue they may have with the way the Club is run or operated.

7. Competition

The prevalence of clubs and resorts offering essentially the same facilities and amenities may affect the appreciation of investments in the Club. However, the Club is envisioned to have facilities that, to the extent possible, will be world-class, and that, when built, will be properly maintained so that the Club continues to appreciate in value.

8. *Acts of God, typhoons, earthquakes and other fortuitous events*

The Philippines has its share of natural calamities. Boracay Island is not spared. It is possible that a natural disaster will hit the area and cause massive damage to life and property.

Besides *force majeure*, a Member may also be deprived temporarily of the use of the facilities of the Club due to unavoidable circumstances such as major maintenance/repair work. The Company will mitigate this risk by designating particular a time in a year for major maintenance work which last no longer than seven (7) days per annum.

Risks Related to the Offer and the Offer Shares:

1. No Market Valuation of the Offered Shares

Purchasers of the Offered shares who intend to invest purely for potential capital gains should consider that the Offered Shares are not publicly traded such that a market valuation is not readily available. Nevertheless, the subsequent sale or transfer of the Offer Shares is expected to be governed more by the negotiation of the parties rather than by market valuation.

2. Price level of the Offer Shares

As is common with most club membership shares, there is no defined minimum or maximum price level that can be dictated on the secondary market. The resale level of the Offer Shares will be highly dependent on supply and demand. The price levels are also heavily dependent on the image that the Club continues to enjoy as well as the satisfaction of its Members. As with any membership club, the value may substantially deteriorate if negative feedback from the public is disclosed to the market. The investor incurs the risk of price levels falling below the acquisition cost if there is dissatisfaction among Members, negative feedback in the market, lack of demand, or if other developers were to create clubs in direct competition with the Club.

3. Liquidity

Unlike stock of corporations listed in the Philippine Stock Exchange or any other Exchange for that matter, the Offered Shares are considerably less liquid because there is no established secondary market for the Offer Shares. The resale market is unpredictable and the Club can make no guarantee as to the level of demand for these shares. Investors may not always find ready buyers for the Offer Shares and the market is dependent not only on Club-related factors but also on general factors affecting the economy.

4. Membership Rules

Members are subject to the Membership Rules which enumerate, among others, the obligations of a Member, such as payment of Membership Dues and other fees for the operation and maintenance of the Club. Pursuant to such Membership Rules, the management has the right to revoke a person's membership and prohibit from enjoying the privileges of Members if his conduct calls for such sanction. Members are assured the continuous enjoyment of the rights and privileges attached to the Offer Shares if they comply with the Membership Rules.

Risks Related to the Philippines

1. Political and economic conditions

To a large extent, the profitability of the Company depends on the overall level of business and economic activity in the Philippines, which in turn is affected by political and economic factors. Any political instability may have an adverse effect on the sectors proposed to be served by the Company.

Previous years have shown that the Philippine economy and the securities of Philippine companies have been, to varying degrees, influenced by economic

and market conditions in other countries, especially in Southeast Asia, as well as investors' responses to those conditions. Although economic conditions are different in each country, investors' reactions to adverse developments in one country may affect the market price of securities of companies in other countries, including the Philippines.

2. Taxation

Existing tax rates may increase in the future or existing tax exemptions and deductions may be revoked, thereby adversely affecting the price and valuation of the Offered Shares in the market. Conversely, tax rates may decrease or new exemptions and deductions may be granted, to the Company's benefit.

3. Foreign Currency Fluctuation

Future changes in the value of the Philippine peso as against foreign currencies will affect the foreign currency equivalent of the value of the Offer Shares.

Other Risks

In addition to the foregoing, there may be other risks, either unknown to the Company as of the date of this Prospectus or deemed immaterial, which may have an adverse effect on the Offer Shares.

USE OF PROCEEDS

The proceeds from the secondary offering will amount to 9,293,837,520 broken down as follows:

PS Type	No. of Shares	Offer Price	Total Proceeds (in PhP)
A	72,674	77,880.00	5,659,851,120.00
B	10,740	101,640.00	1,091,613,600.00
C	15,752	131,880.00	2,077,373,760.00
D	2,864	162,360.00	464,999,040.00
Total	102,030		9,293,837,520.00

The Company will use the proceeds from this secondary offering to pay off outstanding bank loans. It has existing loans with different banks, with varying terms from 90 days to 5 years. Interest rate ranges from 3.00% to 4.90%.

Bank	Facility	Term	Int Rate	Balance
AUB	Clean	90-DAYS	3.1250%	1,000,000,000
BDO	Deposit	2 Y& 1MO	3.0000%	312,399,000
BDO	Receivables	5 YRS	3.2500%	178,296,823
BDO	Clean	2 Y& 1MO	3.0000%	657,200,000
BDO	REM	5 YRS	4.9000%	2,900,000,000
BPI	Receivables	2 YRS	4.0000%	402,016,409
CBC	Receivables	5 YRS	4.0000%	824,565,225
CBC	Clean	5 YRS	4.6875%	1,294,588,335

CBC	Case to Case	90-1 YR	3.2500%	3,000,000,000
CBS	Clean	90-DAYS	4.0000%	500,000,000
PNB	Clean	4 YRS	4.0000%	1,896,900,000
SBC	Clean	90-DAYS	3.0000%	720,000,000
Total				13,685,965,792

PLAN OF DISTRIBUTION

Membership in the Club is initiated upon the purchase of the Preferred Share, vetted by the Review Committee, the composition of which shall be determined by the Board of Directors, and culminates in the issuance of the Share Certificate. Continued membership in the Club is conditioned upon compliance with the Membership Rules and other rules and regulations that the Board of Directors may promulgate from time to time. Any violation of the Membership Rules, or any act or conduct that the Board of Directors deems prejudicial to the Club, shall be meted the appropriate penalty, including suspension and expulsion. (See discussion on "Investment Procedure")

The proceeds of the Offer shall inure to the benefit of the Selling Shareholder. The subscription payments and additional capital infusion, if any, to be made by the Selling Shareholder in favor of the Company shall be utilized or reserved by the Company for the upkeep and maintenance of the Azalea Residences Boracay.

Offer Shares that will not be acquired shall remain under the ownership of the Selling Shareholder.

The Offer Shares will be sold and offered to the public over-the-counter by salesmen duly registered with the Commission pursuant to Section 28.2 of the SRC engaged by the Company and/or the Selling Shareholder for this purpose. In no case shall any person or persons be allowed to sell the Company's preferred shares without the necessary valid license secured from the Commission.

The marketing plan shall involve advertising and promotions, mail drop, telephone canvassing, leaflet distribution, referral system, and group/corporate presentations. Promotions will be through exhibits, correspondence, and telemarketing. It will likewise utilize billboards, sign boards, and direct mailing to target market. Both print and media exposure as well as office set up in target locations or access points will be part of the distribution strategy.

Aside from the local market in the Philippines, the Registrant will likewise tap overseas Filipinos and foreign markets in the countries of Europe, US, Canada, and Asia.

Each of the duly authorized salesman and marketing people will be paid either on an employment or independent contractor basis by the Company, or any other lawful basis acceptable to both parties, subject to applicable laws.

THE SELLING SHAREHOLDER

The Selling Shareholder is 8990 Housing Development Corporation (“8990 HDC”).

8990 Housing Development Corporation

8990 HDC was incorporated on 20 March 2003. It is a subsidiary of 8990 Holdings, Inc., a publicly listed company. The shares of 8990 Holdings, Inc. are listed on the Philippine Stock Exchange under the trading symbol “HOUSE”.

The principal office of 8990 HDC is at 8990 Building, Negros Street, Cebu Business Park, Cebu City. Its primary purpose is:

“To own, use, improve, develop, subdivide, sell, exchange, lease, and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments, resorts, leisure facilities and other structures.”

8990 HDC has an authorized capital stock of Php10,000,000,000 consisting of 10,000,000 common shares with a par value of Php1.00, all subscribed and fully paid-up.

Prior to and during the Offer, 8990 HDC holds the following Preferred Shares in the Company:

Preferred Share Type	No. of Shares
A	72,674
B	10,740
C	15,752
D	2,864
Total	102,030

8990 HDC intends to sell all its Preferred Shares in the Company.

The following are the directors and officers of 8990 HDC:

Directors	Officers
Mariano D. Martinez, Jr. – Chairman of the Board	Jesus B. Atencio – President/CEO
Luis N. Yu, Jr.	Willibaldo J. Uy – Chief Operating Officer
Jesus B. Atencio	Richard L. Haosen - Treasurer
Richard L. Haosen	Ian Norman E. Dato – Corporate Secretary

Dennis D. Lim	Grace P. Erana – Assistant Corporate Secretary
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DIVIDEND POLICY

No dividends shall be declared in favor of the Preferred Shareholders. The Preferred Shareholders shall be entitled to a pro rata share of the assets of the Corporation at the time of its dissolution or liquidation.

DETERMINATION OF THE OFFER PRICE

The Offer Price per type of Preferred Share is as follows:

Offer Price Per Offer Share	Preferred Share A – Php77,880.00
	Preferred Share B – Php101,640.00
	Preferred Share C – Php131,880.00
	Preferred Share D – Php162,360.00

The Company shall determine whether or not to increase the Offer Prices depending on the demand from the market.

The Offer Prices were determined based on discussions among the Company's senior management team. Since the Offer Shares are not listed on any stock exchange, there is no market price for the Offer Shares derived from day to day trading.

The following factors were taken into consideration in the determination of the offer price:

- Type of purchased accommodation. The marketing department evaluates the cost of the unit chosen by the investor, and adds other factors enumerated hereunder.
- Usage of the facilities/amenities in the hotel. These amenities are upgraded from time to time to satisfy preferred share holders with the ambience of the venue to keep coming back for their relaxation.
- Legal and processing fees.
- Location of the Hotel and facilities. This is a material consideration because rates gets expensive depending upon the location of the venue.
- Commission to sales agents. Payments made to sales representatives duly licensed by the SEC are factored into the cost of the preferred share.
- Management fees or expenses
- Administration expenses and staff salaries
- Advertising and marketing costs
- Miscellaneous expenses

A thorough competitive analysis was likewise conducted to arrive at the Offer Prices. The Company's management determined that the Club's comparative direct competitors is the Astoria Boracay. In determining these competitors, the Company's management looked at the amenities, facilities, and Offer Shares offered by these clubs to their respective members.

The following are the amenities offered by the selected competitor:

Astoria Boracay

Astoria Boracay is located in Station 1 of Boracay Island. It has seventy-one (71) rooms with the following classifications: Deluxe Room, Deluxe Pool Room, Luxury Room, Premier Room, and Honeymoon Suite. The room size ranges from the 29 square meter Deluxe Room to the 50 square meter honeymoon suite.

Below is the matrix for room/accommodation types in Astoria Boracay and their corresponding rates:

Available rooms	Adults Age 15+	Children Age 0-12	Price per night	Total cost per room
Deluxe Room With Buffet Breakfast, plus other inclusions		Free	PHP 7,899.46 9,680.00 Incl. Taxes & Fees	PHP 9,680.00 for 1 night/s
	Up to 3	Free	PHP 9,531.58 11,680.00 Incl. Taxes & Fees	PHP 11,680.00 for 1 night/s
	Up to 4	Free	PHP 11,163.70 13,680.00 Incl. Taxes & Fees	PHP 13,680.00 for 1 night/s
Luxury Room With Buffet Breakfast, plus other inclusions		Free	PHP 10,592.46 12,980.00 Incl. Taxes & Fees	PHP 12,980.00 for 1 night/s
	Up to 3	Free	PHP 12,224.58 14,980.00 Incl. Taxes & Fees	PHP 14,980.00 for 1 night/s
	Up to 4	Free	PHP 13,856.70 16,980.00 Incl. Taxes & Fees	PHP 16,980.00 for 1 night/s
Premier Room With Buffet Breakfast, plus other inclusions		Free	PHP 12,926.39 15,840.00 Incl. Taxes & Fees	PHP 15,840.00 for 1 night/s
	Up to 3	Free	PHP 14,558.51 17,840.00 Incl. Taxes & Fees	PHP 17,840.00 for 1 night/s
	Up to 4	Free	PHP 16,190.63 19,840.00 Incl. Taxes & Fees	PHP 19,840.00 for 1 night/s

All rooms are equipped with:

- Complimentary coffee and tea making facilities
- Breakfast buffet
- Individual climate control air conditioning
- Personal refrigerator
- LCD television with cable programming
- DVD player
- Internet access
- Telephone and voicemail
- Electronic safe
- Complete bathroom and toilet amenities

DILUTION

Since the Offer Shares do not include Common Shares, the required information on Dilution is not applicable to this Offering.

DESCRIPTION OF THE SECURITIES

Listed below are general information relating to the Company's capital stock. They do not purport to be complete or give full effect to the provisions of the Company's Articles of Incorporation and By-Laws. Prospective purchasers are invited to study the foregoing documents.

Share Capital

As of the date of this Prospectus, the authorized capital stock of the Corporation is Php5,313,701 divided into: (a) 5,000,000 Common Shares with par value of Php1.00 per share; (b) 155,912 Preferred Shares "A" with par value of Php1.00 per share; (c) 29,429 Preferred Shares "B" with par value of Php1.50 per share; (d) 48,214 Preferred Shares "C" with par value of Php2.00 per share; and (e) 6,887 Preferred Shares "D" with par value of Php2.50 per share.

Out of the 5,000,000 Common Shares, 1,500,000 shares are subscribed, and Php993,750 are fully paid.

Out of the authorized Preferred Shares, 137,472 have been issued, subscribed, and fully paid. No shares are held in treasury.

Rights Relating to the Preferred Shares

1. Restriction on Voting Rights of Preferred Shareholders

Only Common Shares have voting rights. Subject to the provisions of applicable laws, only Common Shareholders are entitled to vote and be voted for in all meetings of the shareholders of the Corporation where such vote is called for, including in the election (whether regular or special) of the Board of Directors of the Corporation.

Preferred Shareholders have no voting rights. Nevertheless, the Corporation Code provides that the Preferred Shares (even if expressly denominated as non-voting) shall be entitled to vote on the following matters:

- Amendment of the Articles of Incorporation;
- Adoption and amendment of By-Laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the Company's property;
- Incurring, creating or increasing bonded indebtedness;
- Increase or decrease of capital stock;
- Merger or consolidation of the Company with another corporation or other corporations;

- Investment of corporate funds in another corporation or business in accordance with the Corporation Code; and
- Dissolution of the Company.

2. Dividend Rights

Preferred Shareholders shall not be entitled to dividends declared by the Corporation. They shall be entitled to a pro rata share in the assets of the Corporation at the time of its dissolution or liquidation.

3. Pre-emptive Rights

Preferred Shareholders do not have any pre-emptive or similar right with respect to any issuance or disposition of any shares of stock by or for the Corporation.

4. Derivative Rights

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

5. Appraisal Rights

As provided for by law, any stockholder shall have a right to dissent and demand payment of the fair value of his shares in the following instances:

- In case any amendment of the articles of incorporation of the articles of incorporation has the effect of changing or restricting the rights if any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
- In case of merger or consolidation; and
- In case the corporation invests corporate funds in another corporation or business or for any purpose other than the primary purpose for which it was organized.

In the foregoing circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value, which in the absence of any agreement between such shareholders and the Corporation, shall be determined by three (3) disinterested persons, one of whom shall be named by the shareholder, one by the Corporation, and the third by the two (2) persons chosen

by the parties. The designated commercial courts of the Regional Trial Court in a given city or province will, in the event of a dispute, determine any question about whether a dissenting shareholder is entitled to the right of appraisal. The remedy will only be available if the corporation has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting shareholders. From the time the shareholder makes a demand for payment until the corporation purchases the shares, all rights accruing on the shares, including voting and dividend rights, shall be suspended, except the right of the shareholder to receive the fair value of the share.

6. Disclosure Requirements/Right of Inspection

Corporations are required to file General Information Sheet, which sets forth information regarding their management and capital structure, and copies of their annual financial statements with the SEC. Corporations must also submit their annual financial statements to the BIR. Shareholders are entitled to require copies of the most recent financial statements of the corporation, which include a balance sheet as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain pursuant to the provisions of the Corporation Code.

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

7. Restriction on Issuance and Disposal of Shares

Other than the right of first refusal in favor of the Company, there are no restrictions on the issuance and disposal of the Offer Shares.

8. Other Features and Characteristics of Preferred Shares

The Preferred Shares are neither convertible nor subject to mandatory redemption. All of the Company's issued Preferred Shares are fully paid and non-assessable and free and clear from any and all liens, claims and encumbrances. All documentary stamp tax due on the issuance of all issued Preferred Shares has been fully paid.

The stock certificates for the Offer Shares shall be issued within 60 days from the date of full payment of the Offer Price; provided that, where applicable, the appropriate Certificate Authorizing Registration and the Tax Clearance Certificate have been issued by the BIR.

The rights and privileges of a stockholder are exclusive to the said stockholder. They are not assignable or transferable, except by the laws of succession.

In case a Member is expelled by the Club, the Member's Share shall be offered for sale at an auction to be conducted by the Club, upon due notice to the Stockholder. The Company may participate as a bidder in the auction sale. The expelled shareholder is entitled only to the amount of the winning bid at which his stock certificate was auctioned, and nothing more.

The Company will report to the Commission any increase in Membership Dues and the purpose for the said increase within thirty (30) days from the approval of the increase by the Board of Directors.

The Company shall duly notify the Members of the increase in Membership Dues. The Company will post notices and other communications on the charging of fees (including Membership Dues) on the bulletin boards situated at conspicuous places on the Club's premises and/or inform the Members of the same during stockholder's meetings or through written notices sent to Members.

The services and amenities of the Club are exclusive to Members and their guests provided that the Member is in good standing. Access and use of all facilities and amenities are defined and explained further in the Membership Rules.

Accounting and Auditing Requirements

Philippine stock corporations are required to file copies of their annual financial statements with the Commission. Shareholders are entitled to request copies of the most recent financial statements of the corporation which include a balance sheet as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records of the Corporation at the Corporation's offices during office hours.

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

Change in Control/Provisions in the Articles of Incorporation and By-Laws that would delay, deter or prevent a change in the control of the Registrant.

Save for the right of first refusal granted to the Company for any disposition of the shares and Article, Section 2 of the By-Laws which states that the right to vote and be voted for in the election of board of directors shall be exclusive to holders of common shares, there are no other provisions in the Articles of Incorporation and By-laws of the Company that would delay, deter, or prevent a change in the control of the Company.

RESORT CALENDAR

**AZALEA HOTELS AND RESIDENCES BORACAY
RESORT CALENDAR**

WEEK NO.	DATE SATURDAY TO SATURDAY	PREFERRED SHARE			
		LODGING UNIT			
		DELUXE	1BR	2BR	3BR
1	Jan 6- Jan 13	1425	211	309	56
2	Jan 13 - Jan 20	1425	211	309	56
3	Jan 20- Jan 27	1425	211	309	56
4	Jan 27- Feb 03	1425	211	309	56
5	Feb 03-Feb 10	1425	211	309	56
6	Feb 10- Feb 17	1425	211	309	56
7	Feb 17- Feb 24	1425	211	309	56
8	Feb 24- Mar 3	1425	211	309	56
9	Mar 3 -Mar 10	1425	211	309	56
10	Mar 10 -Mar 17	1425	211	309	56
11	Mar 17 -Mar 24	1425	211	309	56
12	Mar 24- Mar 31	1425	211	309	56
13	Mar 31 - Apr 7	1425	211	309	56
14	Apr 7 - Apr 14	1425	211	309	56
15	Apr 14 -Apr 21	1425	211	309	56
16	Apr 21- Apr 28	1425	211	309	56
17	Apr 28 -May 5	1425	211	309	56
18	May 5 -May 12	1425	211	309	56
19	May 12 -May 19	1425	211	309	56
20	May 19- May 26	1425	211	309	56
21	May 26 - Jun 2	1425	211	309	56
22	Jun 2 -Jun 9	1425	211	309	56
23	Jun 9 -Jun 16	1425	211	309	56
24	Jun 16- Jun 23	1425	211	309	56
25	Jun 23 - Jun 30	1425	211	309	56
26	Jun 30 -Jul 7	1425	211	309	56
27	Jul 7 -Jul 14	1425	211	309	56
28	Jul 14- Jul 21	1425	211	309	56
29	Jul 21 - Jul 28	1425	211	309	56
30	Jul 28 -Aug 4	1425	211	309	56
31	Aug 4 -Aug 11	1425	211	309	56
32	Aug 11- Aug 18	1425	211	309	56
33	Aug 18 -Aug 25	1425	211	309	56
34	Aug 25 -Sep 1	1425	211	309	56

35	Sep 1 -Sep 8	1425	211	309	56
36	Sep 8 - Sep 15	1425	211	309	56
37	Sep 15 - Sep 22	1425	211	309	56
38	Sep 22 -Sep 29	1425	211	309	56
39	Sep 29 -Oct 6	Maintenance (Not for Sale)			
40	Oct 6 - Oct 13	1425	211	309	56
41	Oct 13 - Oct 20	1425	211	309	56
42	Oct 20 -Oct 27	1425	211	309	56
43	Oct 27 -Nov 3	1425	211	309	56
44	Nov 3- Nov 10	1425	211	309	56
45	Nov 10 - Nov 17	1425	211	309	56
46	Nov 17 -Nov 24	1425	211	309	56
47	Nov 24 -Dec 1	1425	211	309	56
48	Dec 1- Dec 8	1425	211	309	56
49	Dec 8 -Dec 15	1425	211	309	56
50	Dec 15 -Dec 22	1425	211	309	56
51	Dec 22 -Dec 29	1425	211	309	56
52	Dec 29- Jan 5	1425	211	309	56

102,030

INTERESTS OF NAMED EXPERTS AND COUNSEL

There is no expert or independent counsel hired on a contingent basis who will receive a direct or indirect interest in the Company and/or the Selling Shareholder, nor as a promoter, voting trustee, director or officer or employee of the Company and/or the Selling Shareholder.

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

Management's Discussion and Analysis

1. The Company

The Company was incorporated on 11 April 2014. It is in the business of operating the Azalea Vacation Club. Its primary purpose reads as follows:

"To establish, operate, maintain, and/or manage the membership club called Azalea Vacation Club (the "Club"), which provides facilities, amenities, and services for lodging, dining, catering, meeting, sports, health, social, business, recreation, entertainment and/or other services for the exclusive use of the Club members and other persons who may be granted the right of use or otherwise allowed by the Club; to lease and sublease any real and personal property deemed necessary and convenient for the conduct of its business; and to acquire, own, develop, construct, maintain, administer, manage, and operate resorts, hotels, apartment hotels or apartels, and other projects, and to enter into any lawful arrangement with any corporation, association, partnership, domestic or foreign, which may be necessary, convenient or incidental in the conduct of the corporate business and affairs of the Corporation or the Club."

The Company started operations not long after its incorporation on 11 April 2014.

As of 31 December 2016, total assets amounted to Php1,231,983,558.00.

- a. At least twenty-five percent (25%) of the Company's total subscription has been paid, as follows:

Subscriber	Nationality	Classification and Amount of Capital Stock Subscribed (in Php)		Amount of Paid-in (in Php)
Fog Horn, Inc. TIN: 228-690-663	Filipino	Common	225,000.00	56,250
8990 Housing Development Corporation TIN: 006-095-771	Filipino	Common	450,000.00	112,500
Nicolas Divinagracia	C. Filipino	Common	824,993.00	824,993.00

Lony R. Capellan	Filipino	Common	1.00	1.00
Maria Lourdes D. Tanjangco	Filipino	Common	1.00	1.00
Vittorio P. Lim	Filipino	Common	1.00	1.00
Merceditas P. Yutuk	Filipino	Common	1.00	1.00
Teresa C. Secuya	Filipino	Common	1.00	1.00
Cherry T. Rocha	Filipino	Common	1.00	1.00
Arlene C. Keh	Filipino	Common	1.00	1.00
		Total	1,500,000.00	375,005.00

b. Payment from subscription of 8990 HDC to the Preferred Shares:

Type of Preferred Share of Stock	No. of Shares Subscribed	Subscription Price per Share (in Php)	Total Subscription Price
A	72,674	5,748.962	417,800,074
B	10,740	8,623.51	92,616,502
C	15,752	11,498.841	181,129,741
D	2,864	14,378.20	41,179,173
Total	102,030		732,725,490

As of 31 December 2016, the Company's liabilities amount to PHP144,375,632.00.

2. The Selling Shareholder

8990 Housing Development Corporation

8990 HDC was incorporated on 20 March 2003. It is a subsidiary of 8990 Holdings, Inc., a publicly listed company. The shares of 8990 Holdings, Inc. are listed on the Philippine Stock Exchange under the trading symbol "HOUSE".

The principal office of 8990 HDC is at 8990 Building, Negros Street, Cebu Business Park, Cebu City. Its primary purpose is to own and develop all kinds of real estate.

As of 31 December 2016, total assets amounted to Php37,206,021,637.

Total liabilities amounted to Php20,372,433,099.

Total equity amounted to Php16,833,588,538.

THE BUSINESS OF THE COMPANY

Background of the Company

The Company was incorporated under Philippine laws on 11 April 2014. It has no subsidiary or any investment in the equity of any other company.

The primary purpose of the Company is to manage and operate a membership club, otherwise known as the "Azalea Vacation Club". The Azalea Residences Boracay is fully operational. The facilities and amenities of the Azalea Residences Boracay are more particularly described in the section "Description of Property".

The Capital Stock of the Company

The authorized capital stock of the Company is Php5,313,701, divided into: (a) 5,000,000 Common Shares with par value of Php1.00 per share; (b) 155,912 Preferred Shares "A" with par value of Php1.00 per share; (c) 29,429 Preferred Shares "B" with par value of Php1.50 per share; (d) 48,214 Preferred Shares "C" with par value of Php2.00 per share; and (e) 6,887 Preferred Shares "D" with par value of Php2.50 per share.

The Directors and Officers of the Company

Directors	Officers
Lony R. Capellan – Chairman of the Board	Merceditas P. Yutuk – President/CEO
Maria Lourdes D. Tanjangco	Teresa C. Secuya - Treasurer
Nicolas C. Divinagracia	Ian Norman E. Dato – Corporate Secretary
Merceditas P. Yutuk	Rowena C. Craig – Assistant Corporate Secretary
Teresa C. Secuya	

The Preferred Shares

Holders of Preferred Shares "A" are entitled to one (1) membership right to the Club as defined in the Articles of Incorporation, the By-Laws, the Membership Rules, and rules and regulations promulgated by the Board of Directors, including the right to use one (1) deluxe unit in any of the Club's hotels and resorts and enjoy all available amenities and facilities of the Club during the said use for one (1) day per calendar year.

Holders of Preferred Shares “B” are entitled to one (1) membership right to the Club as defined in the Articles of Incorporation, the By-Laws, the Membership Rules, and rules and regulations promulgated by the Board of Directors, including the right to use one (1) one-bedroom unit at Azalea Residences Boracay and enjoy all available amenities and facilities of the Club during the said use for one (1) day per calendar year.

Holders of Preferred Shares “C” are entitled to one (1) membership right to the Club as defined in the Articles of Incorporation, the By-Laws, the Membership Rules, and rules and regulations promulgated by the Board of Directors, including the right to use one (1) two-bedroom unit at Azalea Residences Boracay and enjoy all available amenities and facilities of the Club during the said use for one (1) day per calendar year.

Holders of Preferred Shares “D” are entitled to one (1) membership right to the Club as defined in the Articles of Incorporation, the By-Laws, the Membership Rules, and rules and regulations promulgated by the Board of Directors, including the right to use one (1) three-bedroom unit at Azalea Residences Boracay and enjoy all available amenities and facilities of the Club during the said use for one (1) day per calendar year.

The Club

The Azalea Vacation Club is presently composed of the Azalea Residences Baguio and Azalea Residences Boracay.

Subject to expansion plans and programs to be approved by the Board of Directors, other hotels and resorts will be managed by the Club and made available to the Members in the near future.

The facilities and amenities of the Club will be maintained through Membership Dues and other means determined by the Board of Directors.

The Club leases from 8990 HDC the lot within which the Azalea Residences Boracay is situated.

Enable Hospitality, Inc., a third part hotel operator, was hired by the Club to run the Azalea Residences Boracay.

Timetable

Activity	Estimated Date/Period
Issuance of Certificate of Incorporation	11 April 2014
Lease lot for Azalea Residences Boracay	2014
Registration of Offer Shares with the	Upon approval of the Registration

SEC	Statement by the SEC
Commencement of sale of Offer Shares to the public	Upon approval of the Registration Statement by the SEC

Government Permits

The Company does not expect any unfavorable effect on the government regulations that may have impact on the operation of the business.

For its general corporate operations, the Company has obtained registration and permits from the Commission and the pertinent local government unit. Its Certificate of Registration from the SEC was issued on 11 April 2014. The company also has secured a Mayor's permit for business from the City of Mandaluyong. The Company was registered with the BIR on 06 August 2014. The Company has also registered as an employer with the Social Security System (SSS) on 2014. For its operations in Boracay, the Company has obtained the necessary governmental approvals from various government agencies.

Below is the list of the governmental registrations, permits, and/or licenses issued or pending issuance in favor of the Company and 8990 HDC:

Permit/License	Date of Filing of Application	Status
Registrant SEC Certificate of Registration	11 April 2014	Obtained
8990 HDC SEC Certificate of Registration	20 March 2003	Obtained
Registrant Business Permit		Obtained
8990 HDC Business Permit, Mandaluyong City		Obtained
Registrant BIR Certificate of Registration, Mandaluyong City	06 August 2014	Obtained
8990 HDC BIR Certificate of Registration		Obtained
Azalea Residences Environmental Compliance Certificate	23 December 2015	Obtained
Registrant Sanitary Permit to Operate	4 April 2017	Obtained

Since the business of the Company is the maintenance, operation, administration and management of Azalea Vacation Club, it will not need any secondary license

or any governmental approval for the conduct of this business other than the usual business license from the local government.

Negative Disclosures

1. The Company is not dependent upon one or a limited number of suppliers for essential raw materials. There are no major supply contracts as business is conducted as a hotel where supplies are obtained from available sources in the area. The business of the issuer is not dependent upon any single or a few customers, the loss of any or more of which will have a material undesirable effect on the Issuer.
2. The Company is not dependent upon a few customers since the hotel is patronized by locals and tourists, being centrally located in Boracay. It does not anticipate the loss of any material number of customers to adversely affect its operations.
3. The company has no voting trust or similar agreement with any person, entity, corporation, or association. Neither is there any arrangement with any person, entity, corporation, or association, which may result in a change in control of the company.
4. The Company is not dependent on any related party/ies for its business operations/transactions. There are no major existing sales contracts. The sales are individually conducted.
5. The Company does not hold any patent or copyright.
6. The Company has no subsidiaries over which major risks and management thereof need to be fully disclosed.
7. The Company does not incur any loans or material obligations which would affect its liquidity position.
8. The Company does not anticipate government regulations either existing or probable that may have an adverse effect on the operations of its business.
9. The Company does not have issuances of securities constituting exempt transactions on unregistered securities.
10. The Company does not anticipate any risks at the business of the Company and its no subsidiaries.
11. The Company does not deal with a promoter, and no any person has any indirect material interest in any transaction involving the present registration.
12. The law states that dividends shall be declared only from unrestricted retained earnings and shall be payable at such time and in such manner and such amounts as the Board of Directors shall determine. No dividends must be declared which would prejudice the capital of the corporation. In

the case of the Issuer, purchasers of its preferred shares are not entitled to dividends.

13. The registration will not involve distribution of dividends.

14. The Company has no material amount of proceeds that will be used to purchase assets or finance the acquisition of other business.

15. The Company has no material off-balance sheet transaction, arrangements, obligations (including contingent obligations and other relationships of the company with unconsolidated entities or other persons created during the reporting period).

16. The Company has no material amounts of funds which are necessary to carry out the specified purpose/s for which the offering is made.

Competition

The Azalea Vacation Club will have a nationwide base and reach. The principal competition, therefore, will depend on the location of the Azalea hotel or facility.

For the Azalea Residences Boracay, the principal competition is the Astoria Boracay. This is discussed extensively in the section on "Determination of Offer Price".

As secondary competition, the Company considers the different hotels and resorts spread throughout the country.

The Club expects to develop its own niche market on the basis of the following factors and distinct advantages:

- Projected growth of the hospitality and tourism industry in the Philippines
- Attraction of resort living
- Retail-type membership share
- Rights and privileges in perpetuity as long as the Member is in good standing
- The exclusive nature and type of amenities on offer to the Members and their guests
- Prime location of the present as well as future hotels and facilities
- Extensive range of hotels and facilities to choose from in the future

Ownership or Construction and Development of Future Hotels and Facilities

The expansion of the Club in other cities and key destinations in the Philippines will be decided and determined solely by the Board of Directors.

Transactions with and/or Dependence on Related Parties

The Company has had, and is projected to have, material transactions with 8990HDC. These transactions involve, among others, sale, lease, construction and development, consultancy and management, and such other transactions in the ordinary course of the Company's business.

Intellectual Property

"Azalea Vacation Club" is a registered trademark.

Employees

The Company currently has thirty-five (35) employees. The Company manpower is broken down as follows:

Level	Count
Officers	7
Manager	1
Rank & File	27
Agency/Outsourced	0
Total	35

No collective bargaining has been entered into with the employees at Azalea Residences Boracay. They have never been on strike. Neither is there an impending strike. Apart from the basic employment compensation package, the company does not and will not have any supplemental benefits or incentive arrangements with its employees.

Additional Fund Requirements

The Registrant does not plan on raising additional funds besides the funds raised through this Offering.

Legal Proceedings

As of the date of this Prospectus, the Company is not involved in any litigation and does not anticipate one, either now or in the immediate future in any proceedings for or against the company. Registrant does not anticipate any present or future legal proceedings against any of its subsidiary, affiliated or associated or will be involved to be a party to such proceedings or any of its assets or properties are to be the subject.

Each of the directors has certified that, during the last five (5) years, they have not been involved in any insolvency or bankruptcy proceedings nor have any of them been convicted by final judgment in neither a criminal proceeding nor

subject of a pending criminal proceeding. Furthermore, none of the directors has been subject to any order permanently enjoining, barring, suspending or limiting their involvement in any type of business, securities, and commodities or banking activities, nor have they been found by any court in any civil action to violate any securities or commodities law or regulation.

Undertaking of Compliance with SEC Requirements

The Corporation undertakes to comply with the following requirements under the Implementing Rules and Regulations of the Securities Regulation Code:

1. Certificates of shares shall be issued within sixty (60) business days from the date of their full payment, and the Issuer shall qualify the prospective members before the actual sale or transfer of the share or certificate.
2. The Company shall not collect membership dues unless the project is fifty (50%) usable as indicated in this Prospectus, unless the Company's By-Laws provides for a higher percentage of usability.
3. The Company shall submit to the SEC a report under oath of any increase in fees and the rationale for such increase within (30) business days from the approval by its board of directors of such increase.
4. The Company shall notify the members of any increase in fees upon the board's approval of the increase.
5. The Company shall cause the posting of proper notices and other communications on the charging of fees on bulletin boards situated at conspicuous place/s at the site of the issuer for the benefit of the secondary market.

DESCRIPTION OF PROPERTIES

As of the date of this Prospectus, the Company does not have any property registered in its name.

The Company currently leases from 8990 HDC the lot within which Azalea Boracay is situated.

Azalea Residences Boracay

Azalea Boracay is Boracay's first four star quality serviced apartment hotel. It is located at Station 2 of Boracay Island.

Covering a total land area of 5,700 square meters with 285 all-suite rooms when completed, Azalea Hotels & Residences is conveniently located steps away from the famous Boracay shore. The hotel will feature the sizeable Serviced Residences with all rooms equipped with a full kitchen, separate living and dining areas ranging from the smallest room of 30 square meters big with its largest coming in at 75 square meters. Azalea Boracay offers a refreshing design that is wide open and spacious, featuring two rooftop pools for children and adults

Situated 315 kilometers off Manila and part of Malay, Aklan Province, Boracay Island was awarded as the world's best island in 2012 by Travel+Leisure Magazine. It has become one of the top tourist destinations in the Philippines for both foreign and domestic tourists.

Azalea Residences Boracay has the following facilities and amenities:

Living Room & Entertainment

- LCD TV with DVD Player
- Cable Channel
- Convertible Sofa Bed
- Analog telephone

Bed & Bath

- Ultra Comfortable Beds with Imported Linens
- Hot & Cold Shower
- Hairdryer
- Ironing Facility
- Azalea branded Bath Amenities
- Vanity Mirrors
- Bath Robes (upon request)

- Cribs (upon request)

Kitchen & Dining

- Electric Cooktops with Range Hood
- Microwave Oven
- Rice Cooker
- Refrigerator
- Electric Water Kettle
- Dinnerware Set
- Silverware Set
- Pots & Pans (upon request)
- Complimentary Tea & Coffee Amenity Set
- Complimentary Bottled Water
- In-Room Dining
- Guest Minibar

Safety & Security

- Electronic Identification Door Lock System
- Electronic In-Room Safe fitted for Laptops & Gadgets
- Smoke Detectors & Sprinkler System
- Electrical Outlet : 220V
- Emergency Lights
- Non-Smoking Rooms

Hotel Facilities

- Kids and Adult Swimming Pool
- Handicapped accessible rooms
- Spa & massage Services
- Souvenir Shop
- Complimentary WiFi access in guest/s areas
- Travel & Vacation Concierge
- Laundry, Pressing & Dry Cleaning Services
- Daily Local Newspaper
- 24-hour Medical Service Assistance
- Business Center
- Credit Card Payment Facility

Other Azalea Properties

Azalea Residences Baguio is Baguio City's first all-suite hotel. It is located in the quiet and posh residential neighborhood of Leonard Wood Loop and approximately 100 meters from Leonard Wood Road. It is a five-to-fifteen minute

drive to the commercial district of Baguio City. The hotel site commands an aggregate area of Four Thousand One Hundred Five square meters.

The Company will develop and manage other hotels and facilities in other key destinations in the Philippines subject to the expansion program to be decided solely by the Board of Directors.

MARKET PRICE OF THE COMPANY'S SHARES AND RELATED SHAREHOLDER MATTERS

Market Information

Prior to the Offer, the Company has been selling Thirty Five Thousand Four Hundred Forty Two (35,442) of the Company's shares as part of the Registration Statement rendered effective by the SEC on 22 May 2015.

Holders of the Company's Shares

Immediately prior to the Offer, the following will be the holders of record of the Company's Shares:

Stockholders	No. of Common Shares Subscribed and Paid up	No. of Preferred Shares Subscribed and Paid up	Percentage of Ownership
Fog Horn, Inc.	225,000	16,468 Preferred Stock "A"	15.90% (16%)
		11,814 Preferred Stock "B"	
		6,086 Preferred Stock "C"	
		1,074 Preferred Stock "D"	
8990 Housing Development Corporation	450,000	72,674 Preferred Stock "A"	33.71% (34%)
		10,740 Preferred Stock "B"	
		15,752 Preferred Stock "C"	
		2,864 Preferred Stock "D"	
Nicolas C.	824,993	0	50.38% (50%)

Divinagracia			
Lony R. Capellan	1	0	Less than 1%
Maria Lourdes D. Tanjangco	1	0	Less than 1%
Vittorio P. Lim	1	0	Less than 1%
Merceditas P. Yutuk	1	0	Less than 1%
Teresa C. Secuya	1	0	Less than 1%
Cherry T. Rocha	1	0	Less than 1%
Arlene C. Keh	1	0	Less than 1%
TOTAL	1,500,000	137,472	

REGULATORY MATTERS

For its business operations, the Company is required to obtain approvals from various government agencies. Detailed information on governmental approvals or permits required for the conduct of the Company's business are discussed in the earlier section on *Government Permits (The Business of the Company)* of this Prospectus. The enumeration of permits in said section is not exhaustive. Government authorities may, in accordance with law, subject the Company to actions, such as cancellation or rejection of renewals of its registrations, permits and licenses which would have an adverse effect on its business. Decisions or changes in the legal and regulatory requirements for its business may also have adverse effects on the Company. In order to mitigate this risk, the Company dutifully secures the required governmental approvals for its business during the planning, construction of projects, and marketing stages thereof. The Company is not aware of any pending legislation or governmental regulation that is expected to materially affect its business.

BOARD, MANAGEMENT AND CERTAIN SHAREHOLDERS

Board of Directors and Senior Management

Pursuant to the Issuer's Articles of Incorporation and By-Laws, members of the Board of Directors are elected during the Stockholder's annual meeting by the holders of the Common Shares. Each director is elected for a term of one (1) year until his successor is duly elected or qualified, unless he resigns, dies or is removed prior to such election. The By-Laws authorize the Board of Directors to elect the Chairman of the Board, the President, the Treasurer, the Corporate Secretary and such other officers as the Board of Directors may determine.

Immediately prior to the Offering, the following individuals comprise the Issuer's Board of Directors and Senior Management

<i>Name</i>	<i>Nationality</i>	<i>Position</i>
Lony R. Capellan	Filipino	Chairman of the Board of Directors
Maria Lourdes D. Tanjangco	Filipino	Director
Nicolas C. Divinagracia	Filipino	Director
Merceditas P. Yutuk	Filipino	Director and President
Teresa C. Secuya	Filipino	Director and Treasurer
Cherry T. Rocha	Filipino	Independent Director
Vittorio P. Lim	Filipino	Independent Director
Ian Norman E. Dato	Filipino	Corporate Secretary
Rowena C. Craig	Filipino	Assistant Corporate Secretary

All of the foregoing directors and corporate officers have been elected to a term of one (1) year. All have been holding their respective positions in the Issuer since 10 August 2017.

The following are descriptions of the business and leadership experience for the past five (5) years of each of the Issuer's directors and senior corporate officers (as well as their directorships in other reporting companies, if any):

Name: Lony R. Capellan

Position: Chairman of the Board of Directors

Address: 71 Inocencio St., Fairwoods Subdivision, Espeleta III, Imus, Cavite

Date of Birth: 08 April 1963

Age: 54

Citizenship: Filipino

Positions Held: Chief Accountant, Delfin Hermanos Groups of Companies;
General manger, BP Waterworks Inc./Goodhands Water Specialists, Inc.

Name: Merceditas P. Yutuk

Position: President/Director

Address: 19A Benedict St., Paradise Village, Project 8, Quezon City

Date of Birth: 5 January 1962

Age: 55

Citizenship: Filipino

Positions Held: Marketing Director/Communications & Customer Care Officer,
Professional Financial Plans (TPG)

Name: Teresa C. Secuya

Position: Director/Treasurer

Address: 2524 Guadalupe Mansion, JP Rizal Extension, Makati City

Date of Birth: 17 September 1961

Age: 55

Citizenship: Filipino

Positions Held: Executive Officer, 8990 Holdings, Inc.; Executive Secretary,
Ceres Homes, Inc., Executive Officer, Urban Basic Housing Corporation.

Name: Nicolas C. Divinagracia

Position: Director

Address: Blk 1, Lot 23, Jackfruit Street, ULHA Village, Ulas, Davao City

Date of Birth: 10 September 1959

Age: 58

Citizenship: Filipino

Positions Held: President, Nicole's 22 Corporation; President, 2201 R.E.N.
Corporation

Name: Maria Lourdes D. Tanjangco

Position: Director

Address: No. 22 Venezuela St., Loyola Grand Villas, Quezon City

Date of Birth: 11 September 1963

Age: 53

Citizenship: Filipino

Positions Held: Sales and Area Manager, Covermat Corporation, Board of
Governors, Loyola Grand Villas Subdivision; Corporate Secretary, Alexa Realty
Inc. and Becael Realty Inc.

Name: Cherry T. Rocha

Position: Independent Director

Address: Tindalo St., Mcmariano Village, Balatas, Naga City

Date of Birth: 14 May 1988

Age: 29

Citizenship: Filipino

Positions Held: Proprietor, Chicklet Broiler Farm; Vice President, First Naga Rural Bank, Inc. Licenses Real Estate Broker; Vice President for Finance, Naga Queenstown Realty & Development Inc.; Vice President for Finance, LYRR Realty Development Corporation.

Name: Vittorio P. Lim

Position: Independent Director

Address: 82 Sanso Street, Corinthian Gardens, Quezon City

Date of Birth: 08 January 1985

Age: 32

Citizenship: Filipino

Positions Held: Certified Securities Representative, Wealth Securities Inc.; Certified Securities Representative, Tower Securities, Inc.; GS and PDS Broker, Tradition Financial Services Philippines, Inc.; Trader and Trainee, First Resources, Philippine Stock Exchange

Name: Ian Norman E. Dato

Position: Corporate Secretary

Address: No. 19 Leningrad St., Filinvest East Homes, Cainta, Rizal

Date of Birth: 22 February 1979

Age: 38

Citizenship: Filipino

Positions Held: Managing Partner, Dato Inciong & Associates; Director, 8990 Holdings, Inc. and Pacifica, Inc. (publicly listed companies); Chairman, Newmanholdings Inc.; President, Crosschannel Imports, Inc.; Director to around twelve (12) corporations; Corporate Secretary to around fifty one (51) corporations.

Name: Rowena C. Craig

Position: Assistant Corporate Secretary

Address: #410 Kaimito Street, NAPICO, Brgy. Manggahan, Pasig City

Date of Birth: 18 March 1973

Age: 44

Citizenship: Filipino

Positions Held: Executive Assistant, Fog Horn, Inc.

Significant Employees

Although the Issuer has relied on, and will continue to rely on, the collective contributions of its executive officers, senior operational personnel and other non-executive employees, the Issuer believes that it is not dependent on the services of any particular employee and that there is no employee the resignation or loss of whom would have a material adverse impact on the business of the Issuer.

Significant Family Relationships

None of the directors and senior corporate officers is related to each other by consanguinity or affinity up to the fourth civil degree.

Involvement in Certain Legal Proceedings

As of the date of this Prospectus, the Issuer is not engaged in any litigation or arbitration proceedings and no litigation or claim is known to the directors or senior corporate officers to be pending or threatened against the Issuer.

No director or senior corporate officer of the Issuer during the past five (5) years has been subject to:

1. 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 years prior to that time;
2. Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. 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 his involvement in any type of business, securities, commodities, or banking activities; or
4. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission 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 the judgment has not been reversed, suspended, or vacated.

Executive Compensation

The compensation of the executive officers is based on the standard hiring rate of the company where standard monthly salary and 13th month pay are given in accordance with the provisions of the Labor Code. There are no special arrangements extended by the company to any of its directors and/or officers directly or indirectly, except for allowances required for the usual course of doing business.

A summary below of the monthly regular salaries of the executive officers and directors of the Company is shown below:

Name	Position	Monthly Salary
Lony R. Capellan	Chairman	60,000
Merceditas P. Yutuk	President	60,000

Teresa C. Secuya	Treasurer/Chief Finance Officer	40,000
Ian Norman E. Dato	Corporate Secretary/Compliance Officer	23,000
Maria Lourdes D. Tanjangco	Director	23,000
Nicolas C. Divinagracia	Director	23,000
Cherry T. Rocha	Independent Director	23,000
Vittorio P. Lim	Independent Director	23,000
Rowena C. Craig	Assistant Corporate Secretary	15,000

Employment Contracts, Termination of Employment, Change-in-Control Arrangements

There have been no terminations of employment and neither have there been any change-in-control arrangements with the present management.

Changes in Disagreements with Accountant

The Registrant had no changes in and disagreements with the accountant on matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure at the time of filing of this registration.

SECURITY OWNERSHIP OF OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

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

Stockholders	No. of Common Shares Subscribed and Paid Up	No. of Preferred Shares Subscribed and Paid Up	Percentage of Ownership
8990 Housing Development Corporation	450,000	72,674 Preferred Stock "A"	30%
		10,740 Preferred Stock "B"	
		15,752 Preferred Stock "C"	
		2,864 Preferred Stock "D"	
Fog Horn, Inc.	225,000	16,468 Preferred Stock "A"	15%
		6,086 Preferred Stock "B"	
		11,814 Preferred Stock "C"	
		1,074 Preferred Stock "D"	
Nicolas C. Divinagracia	824,993	0	54.99%
Lony R. Capellan	1	0	Less than 1%
Maria Lourdes D. Tanjangco	1	0	Less than 1%
Vittorio P. Lim	1	0	Less than 1%
Merceditas P.	1	0	Less than 1%

Yutuk			
Teresa C. Secuya	1	0	Less than 1%
Cherry T. Rocha	1	0	Less than 1%
Arlene C. Keh	1	0	Less than 1%
	1,500,000	137,472	100%

Title of Class	Name, address of Record Owner and relationship with Issuer	Name of Beneficial Owner and relationship with Record Owner	Citizenship	No. of Shares Held	Percentage of Class
Common Shares	Fog Horn, Inc., 3 rd Floor, PGMC Building, 76 Calbayog corner Libertad Streets, Mandaluyong City, Shareholder	Fog Horn, Inc. (same as record owner)	Filipino	225,000	15%
Common Shares	8990 Housing Development Corporation, 8990 Building, Negros Street, Cebu Business Park, Cebu City, Shareholder	8990 Housing Development Corporation (same as record owner)	Filipino	450,000	30%
Common Shares	Nicolas C. Divinagracia, Block 1, Lot 23 Jackfruit Street, ULHA Village, Ulas, Davao City, Shareholder	Nicolas C. Divinagracia (same as record owner)	Filipino	824,993	54.99%
Preferred Shares	Fog Horn, Inc., 3 rd	Fog Horn, Inc. (same	Filipino	35,442	25.78%

	Floor, PGMC Building, 76 Calbayog corner Libertad Streets, Mandaluyong City, Shareholder	as record owner)			
Preferred Shares	8990 Housing Development Corporation, 8990 Building, Negros Street, Cebu Business Park, Cebu City, Shareholder	8990 Housing Development Corporation (same as record owner)	Filipino	102,030	74.22%

Security Ownership of Management

Other than Mr. Nicolas C. Divinagracia who holds 824,993 Common Shares, the Issuer's other directors are each the registered and beneficial owner of One (1) Share of the Issuer's securities.

Voting Trust Holders of 5% or More

The Issuer is not aware of any person holding more than 5% of the Issuer's securities under a voting trust or similar arrangement.

Corporate Governance

The Company will submit its Manual on Corporate Governance to the SEC in compliance with the pertinent rules and regulations of the SEC.

The Company and its respective directors, officers and employees complied with the best practices and principles on good corporate governance as embodied in the Company's Corporate Governance Manual.

An evaluation system has been established by the Company to measure or determine the level of compliance to the Board of Directors and top-level management with its Manual on Corporate Governance.

The Compliance Officer is tasked to regularly review, at least on a quarterly basis, compliance by the Board and management of the various corporate governance requirements contained in the Manual on Corporate Governance through a checklist of requirements, and to report his findings in accordance with the provisions of the Manual on Corporate Governance.

Independent Directors

The Manual requires the Company to have two independent directors in the Board of Directors. An independent director is defined as a person other than an officer or employee of the corporation, its parent or subsidiaries or any other individual having a relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Agreements Among Certain Shareholders

The Company is unaware of any agreement among any of its shareholders with regard to their shareholdings in the Company.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Certain Relationships

The interest of directors and executive officers arise only from the ownership of shares of the registrant and do not receive any extra or special benefit that is not equally shared by all other shareholders.

Lease of Land with 8990 HDC

The Company has entered into a Contract of Lease of Land with 8990 HDC for the lease of the lot where such hotel is situated. The aforementioned instrument stipulates that the Company shall lease from 8990 HDC for a period of fifty (50) years, renewable for a period of twenty five (25) years, the lots on which Azalea Boracay is situated.

Deed of Sale of the Building with 8990 HDC

The Company has also entered into a Deed of Absolute Sale with 8990 HDC for the purchase of the building situated in the land that the Company has leased.

MATERIAL CONTRACTS AND AGREEMENTS

The information below are summaries of the contracts stated herein. They should not be considered as representing the full scope and coverage of contracts, the full text of which should be consulted.

Name of Contract	Date of Contract	Parties	Description
Deed of Absolute Sale with Transfer Rights and Obligations	1 October 2014	ALRC and 8990 HDC	Sale of Azalea Boracay building
Amendment Agreement	11 November 2014	ALRC and 8990 HDC	Sale of Azalea Boracay building
Contract of Lease	1 October 2014	ALRC and 8990 HDC	Lease of the land where Azalea Boracay is situated

GENERAL CORPORATE INFORMATION

Incorporation

The Company was incorporated on 11 April 2014.

Objects and Purposes

The Articles of Incorporation of the Company state that its primary purpose is:

“To establish, operate, maintain, and/or manage the membership club called the Azalea Vacation Club (the “Club”), which provides facilities, amenities, and services for lodging, dining, catering, meeting, sports, health, social, business, recreation, entertainment and/or other services for the exclusive use of the Club members and other persons who may be granted the right of use or otherwise allowed by the Club; to lease and sublease any real and personal property deemed necessary or convenient for the conduct of its business; and to acquire, own, develop, construct, maintain, administer, manage, and operate resorts, hotels, apartment hotels or apartels, and other projects, and to enter into any lawful arrangement with any corporation, association, partnership, domestic or foreign, which may be necessary, convenient or incidental in the conduct of the corporate business and affairs of the Corporation or the Club.”

Under Philippine law, a corporation may invest its funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized when approved by a majority of the board of directors and ratified by the stockholders representing at least two-thirds of the outstanding capital stock, at a stockholders' meeting duly called for the purpose; provided, however, that where the investment by the corporation is reasonably necessary to accomplish its primary purpose, the approval of the stockholders is not necessary.

Shareholders' Meetings

Annual Shareholders' Meetings

Unless otherwise determined by the Board of Directors, the annual meeting of the shareholders, for the purpose of electing directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office of the Corporation on the first (1st) day of June of each year; if a legal holiday, then on the day following.

Special Shareholders' Meetings

Special meetings of shareholders, for any purpose or purposes, may at any time be called by any of the following: (a) the Board of Directors, at its own instance, or at the written request of shareholders representing a majority of the outstanding capital stock; or (b) the Chairman of the Board of Directors; or (c) the President.

Quorum

Unless otherwise provided by law, in all regular or special meetings of shareholders, the presence in person or by proxy of a majority of the outstanding capital stock shall constitute a quorum for the transaction of corporate business. In the absence of a quorum, any officer entitled to preside at such meeting or to act as secretary thereof, or a majority of the shareholders attending or represented at the time and place at which the meeting shall have been called, may adjourn such meeting until the requisite amount of stock shall be present.

Voting and Matters Pertaining to Proxies

At shareholders' meetings, all Common Shareholders in good standing shall have the right to vote in person or by proxy executed in writing by the shareholder or his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary.

All proxies must be in the hands of the Secretary at least ten (10) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the relevant shareholders either in an instrument in writing duly presented and recorded with the Secretary prior to the scheduled meeting, or by their personal presence at the meeting.

Board of Directors

Composition

The Company has seven (7) directors, two of whom are independent directors.

Election and Term

The Board of Directors shall be elected during each annual meeting of shareholders and shall hold office for one (1) year and until their successors are elected and qualified. Only Common Shareholders may vote for, and be voted upon as, members of the Board of Directors.

Powers

Unless otherwise provided by law, the corporate powers of the Corporation shall be exercised, all business conducted, and all property of the Corporation controlled and held by the Board of Directors to be elected exclusively by and from among the holders of Common Shares. Without prejudice to such powers as may be granted by law and in addition to other powers expressly conferred in other sections of the By-Laws, the Board of Directors shall also have the following powers:

- a. From time to time, to make and change rules and regulations not inconsistent with the By-Laws for the management of the Corporation's business and affairs;
- b. To purchase, receive, take or otherwise acquire for and in the name of the Corporation, any and all properties, rights or privileges, including securities and bonds of other corporations, as the transaction of the business of the Corporation may reasonably or necessarily require, for such consideration and upon such terms and conditions as the Board of Directors may deem proper or convenient;
- c. To invest the funds of the Corporation in other corporations or business or for any purpose or purposes other than those for which the Corporation was organized, whenever in the judgment of the Board of Directors the interest of the Corporation would be promoted thereby, subject to such shareholders' approval as may be required by law;
- d. To incur such indebtedness as the Board of Directors may deem necessary, to make and issue evidence of indebtedness, including without limitation notes, deeds of trust, bonds, debentures or securities, subject to such shareholders' approval as may be required by law, and/or pledge, mortgage or otherwise encumber all or part of the properties of the Corporation;
- e. To guarantee, for and in behalf of the Corporation, obligations of other corporations or entities in which it has lawful interest;
- f. To make provisions for the discharge of the obligations of the Corporation as they mature, including payment in the form of property or in stocks, bonds, debentures or securities of the Corporation lawfully issued for the purpose.
- g. To sell, lease, exchange, assign, transfer or otherwise dispose of any property, real or personal, belonging to the Corporation whenever in

the judgment of the Board of Directors, the Corporation's interest would be promoted thereby;

h. To establish pension, retirement, bonus or other types of incentives or compensation plans for the employees, including officers and directors, of the Corporation and to determine the persons to participate in any such plans and the amount of their respective participation in any such plans;

i. To prosecute, maintain, defend, compromise or abandon any lawsuit in which the Corporation or its officers are either plaintiffs or defendants in connection with the business of the Corporation;

j. To delegate, from time to time, any of the powers of the Board of Directors which may lawfully be delegated in the course of the current business or businesses of the Corporation to any standing or special committee or to any officer or agent and to appoint any person to be an agent of the Corporation with such powers (including the power to sub-delegate) and upon such terms as may be deemed fit;

k. To implement the By-Laws and to act on any matter not covered by the By-Laws, provided such matter does not require the approval or consent of the shareholders under any existing law, rules or regulations.

Meetings of the Board

Regular meetings of the Board of Directors shall be held once every quarter of the year on such dates and at such times and places as may be designated by the Chairman of the Board, or in his absence, by the President, or upon the request of a majority of the directors. Special meetings of the Board of Directors shall be held at any time and at any place upon the call of the Chairman of the Board, or in his absence, by the President, or upon the request of a majority of the directors.

Quorum

A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board of Directors.

Amendment of By-Laws

The By-Laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the shareholders representing a majority of the outstanding capital stock at any shareholders' meeting called for that

purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of shareholders representing not less than two-thirds (2/3) of the outstanding capital stock; provided that any such delegation of powers to the Board of Directors to amend, modify, repeal or adopt new by-laws may be revoked by the vote of shareholders representing a majority of the outstanding capital stock at a regular or special meeting.

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December of each year.

Documents Available for Inspection

Copies of the following documents are available for inspection at the principal office of the Company, during normal business hours on any day on which such office is open for business:

1. Articles of Incorporation and By-Laws of the Company;
2. The Registration Statement and the appendices and exhibits attached thereto which have been filed by the Company with the SEC in relation to the Offer; and
3. Manual on Corporate Governance.

TAXATION

The statements made regarding taxation in the Philippines are based on the laws, regulations, rulings, income tax conventions, administrative practices and judicial decisions in force at the date hereof and are subject to any changes or interpretations which may be retroactive and could affect the tax consequences to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to invest in the Shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rates.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF LOCAL AND NATIONAL LAWS.

Sale, Exchange or Disposition of Shares

Capital Gains Tax

Net capital gains realized by a resident or non-resident other than a dealer in securities during each year from the sale, exchange or disposition of shares of stock in a Philippine corporation listed at and effected outside of the facilities of the PSE, are subject to tax as follows: 5% on gains not exceeding Php100,000 and 10% on gains over Php100,000. The rate of tax is the same for both individual and corporation regardless of nationality and domicile.

Based on existing regulations, the BIR requires the seller to file an application for tax treaty relief before it may avail of any tax exemption or relief under the applicable tax treaty.

The transfer of shares shall not be recorded in the books of the Company unless the BIR certifies that the capital gains and documentary stamp taxes relating to the sale or transfer have been paid or other conditions have been met.

Documentary Stamp Tax

The original issue of shares of stock is subject to documentary stamp tax of Php1.00 for each Php200.00 par value or fraction thereof, of the shares of stock issued. The transfer of shares of stock is subject to a documentary stamp tax of Php0.75 for each Php200.00 par value or a fractional part thereof of the share of stock transferred.

Estate and Gift Taxes

The transfer of shares of stock upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, is subject to Philippine taxes at progressive rates ranging from 5% to 20%, if the net estate is over Php200,000. Individual and corporate holders, whether or not citizens or residents of the Philippines, who transfer shares of stock by way of gift or donation are liable to pay Philippine donors' tax on such transfer of shares ranging from 2% to 15% of the net gifts during the year exceeding Php100,000. The rate of tax with respect to net gifts made to a stranger (i.e., one who is not a brother, sister, spouse, ancestor, lineal descendant or relative by consanguinity within the fourth degree of relationship) is a flat rate of 30%. Estate and donors' taxes, however, shall not be collected in respect of intangible personal property, such as shares of stock: (a) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

Taxation Outside the Philippines

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

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

LEGAL MATTERS

Legal matters in connection with the Offer have been passed upon for the Company by Dato Inciong and Associates. The said law firm does not have any direct or indirect interest in the Company.

INDEPENDENT PUBLIC ACCOUNTANTS

The Company's financial statements will be audited by an External Auditor.

Audit and Audit-Related Fees

The following table sets out the aggregate fees billed for professional services rendered by the External Auditor, Hagonia, Sze & Co.

Type of Fees	Amount (in PhP)
Audit and Audit-related Fees	PhP50,000.00
Total	PhP50,000.00