

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 12-1

REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE

1. SEC Identification Number - CS 2005-16093
2. ASTORIA VACATION AND LEISURE CLUB, INCORPORATED
3. Metro Manila
4. BIR T.I.N. 241 – 044 – 389 – 000
5. Development of real property and resorts and operation of timeshare facilities
6. Industry Classification Code
7. Astoria Vacation and Leisure Club Inc.
Principal Office Address:
15 J. Escriva Drive, Ortigas Center
1605 Pasig City, Metro Manila
Philippines
8. The registrant is a resident of the Philippines and its principal business is in the Philippines
9. Fiscal year is 31 December

10. Computation of Registration Fee

Title of Securities to be registered	Straight Availment System				Alternate Availment System			
	No. of Timeshares to be registered	No. of Rooms	Proposed offering price per unit	Proposed aggregate offering price	No. of Timeshares to be registered	No. of Rooms	Proposed offering price per unit	Proposed aggregate offering price
Timeshares								
30-year Membership								
Studio Regular	470	10	348,000	163,560,000	-	-	-	-
Studio Premier	94	2	429,000	40,326,000	564	6	257,400	145,173,600
1 Bedroom	47	1	845,000	39,715,000	188	2	507,000	95,316,000
2 Bedroom	47	1	1,170,000	54,990,000	282	3	702,000	197,964,000
Total	658	14		298,591,000	1,034	11		438,453,600
10-year Membership								
1 BR Regular								
Red	44		350,000	15,400,000	132		210,000	27,720,000
White	50	2	308,000	15,400,000	150	3	184,800	27,720,000
Studio								
Red	220		252,000	55,440,000	-	-	-	-
White	250	10	210,000	52,500,000	-	-	-	-
sub-total	564	12		138,740,000	282	3		55,440,000
Total	1,222	26		437,331,000	1,316	14		493,893,600
Total Proposed Aggregate Proceeds					2,538	40		931,224,600.00
Filing Fee								778,112.30
Legal Research Fee								7,781.12
Total Fees								785,893.42

PROSPECTUS

ASTORIA VACATION AND LEISURE CLUB, INCORPORATED

ISSUER

For the Offer and Sale of
Two Thousand Five Hundred Thirty Eight (2,538) Timeshares for an estimated aggregate price of
P 931,224,600

This registration offers two (2) sets of accommodations. One Contract of Lease will cover **Fifteen (15) units of hotel rooms**, five (5) of which are earmarked as one bedroom units and ten (10) to be used as studio regular units. The lease over these hotel rooms will run for thirteen (13) years because the offer is only for ten years' accommodation.

The second Contract of Lease is for twenty-five (25) units of hotel rooms, four (4) of which will be two (2) bedroom units, three (3) as one Bedroom Premier, ten (10) Studio Regular and eight (8) as Studio Premier. The term of the lease is for thirty-three (33) years.

Under this registration, the exercise of the occupancy shall be done on a Straight Availment and on an Alternate Availment System at the resort at its Palawan property so, instead of only 1,880 timeshare units, 2,538 timeshares will be issued. The specific "even" or "odd" years of occupancy will be clearly stated in the timeshare certificates. A comparison of the straight availment and alternate availment system are shown below as follows:

Straight Availment System

Title of Securities to be registered	No. of Timeshares to be registered	Number of Rooms	Proposed offering price per unit	Proposed aggregate offering price
30-year Membership				
Studio Regular	470	10	348,000	163,560,000
Studio Premier	94	2	429,000	40,326,000
1 Bedroom	47	1	845,000	39,715,000
2 Bedroom	47	1	1,170,000	54,990,000
sub-total	658	14		298,591,000
10-year Membership				
1 BR Regular				
Red	44	2	350,000	15,400,000
White	50		308,000	15,400,000
Studio				
Red	220	10	252,000	55,440,000
White	250		210,000	52,500,000
sub-total	564	12		138,740,000
Total	1,222	26		437,331,000

Alternate Availment System

Title of Securities to be registered	No. of Timeshares to be registered	Number of Rooms	Proposed offering price per unit	Proposed aggregate offering price
Timeshares				
30-year Membership				
Studio Regular	-	-	-	-
Studio Premier	564	6	257,400.00	145,173,600.00
1 Bedroom	188	2	507,000.00	95,316,000.00
2 Bedroom	282	3	702,000.00	197,964,000.00
sub-total	1,034	11		438,453,600.00
10-year Membership				
1 BR Regular				
Red	132	3	210,000.00	27,720,000.00
White	150		184,800.00	27,720,000.00
Studio				
Red	-	-	-	-
White	-	-	-	-
sub-total	282	3		55,440,000.00
Total	1,316	14		493,893,600.00
GRAND TOTAL	2,538	40		931,224,600.00

The amounts are in Philippine Currency. Offer prices are inclusive of VAT

THE SECURITIES AND EXCHANGE COMMISSION APPROVAL OF THIS PROSPECTUS, THE ORDER REGISTERING THE ASTORIA VACATION AND LEISURE CLUB, INCORPORATED TIMESHARES AND THE ISSUANCE OF THE PERMIT TO SELL THE SAME ARE PERMISSIVE ONLY AND DO NOT CONSTITUTE A RECOMMENDATION OR ENDORSEMENT BY THE SECURITIES AND EXCHANGE COMMISSION OF THE SECURITIES TO BE SOLD.

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

The offer of the timeshare to the public shall be sold over-the-counter and not through the Philippine Stock Exchange. The offers will not be underwritten; hence, no underwriter's fees shall be incurred and since this is a non-proprietary offering, no dividends shall be distributed.

JEFFREY T. NG
President

Cancellation Right

You are entitled to cancel your purchase agreement within five (5) days from the date of signing. Any amount of the purchase price paid by you on signing of the agreement will be fully refunded should you cancel the purchase agreement within the aforesaid period minus Twenty Thousand Pesos (PhP20,000.00) representing processing and administration fees. If the down payment for the purchase of the timeshare be less than the PhP20,000.00 processing fee, the purchaser shall be liable for the balance of the processing fee therefore the right to refund any amount paid shall not apply.

Principal Office Address:

Astoria Vacation and Leisure Club, Incorporated
Astoria Plaza, J. Escriva Drive, Ortigas Business District
Pasig City 1600, Philippines
Tel. # (02) 687.1111 Fax (02) 9100370
Email <customerservice@clubastoriaplaza.com>
<sales@astoriaplaza.com>
Website www.clubastoriaplaza.com
www.astoriahotelsandresorts.com

Doing Business at:

Km 62 North National Highway Brgy.
San Rafael, Puerto Princesa City
Palawan

SUBSCRIBED AND SWORN to before me this 16th day of October 2013 at Pasig City, affiant exhibiting to me his CTC No. 13965322 issued on January 24, 2013 at Quezon City.

Doc. No. _____
Page No. _____
Book No. _____
Series of 2013

NOTARY PUBLIC

This Prospectus is dated October 16, 2013

TABLE OF CONTENTS

Summary Information	7
Glossary	10
Risk Factors and other Information	13
Use of Proceeds	16
Determination of Offer Price	19
Plan of Distribution	19
Description of Securities	21
House Rules	30
Information with respect to registrant	36
Description of the Property	39
Management's Discussion and Analysis of Operation	45
Audit Committee Charter	50
Inter-company Affiliations	56
Corporate Governance	61
Summary of Material Contracts	62

SUMMARY INFORMATION

This is a new registration for the new project of the registrant where:

- a) Timeshares will be registered but the exercise of the right to accommodation shall be done at the Registrant's Palawan venue; if the permit is issued before the 8 (eight months construction period and timeshare certificates are sold for cash, making the right to accommodation exercisable, the purchaser shall have the option of exercising the right to accommodation at any of the Registrant's hotel/resorts in Bohol, Boracay and Ortigas.
- b) The exercise of the occupancy shall be done on a Straight or Alternate Availment System for a 30-year and 10-year membership.
- c) The volume of timeshares to be issued is 2,538 units, on which there is nothing in any way affecting the cost as registered nor availability of the units sold under the original and current registration.

In this registration, the right to occupancy for 30 years is divided the usage into 15 years each between two (2) holders of 1 timeshare unit. The offer of 30 years shall be divided into "odd" and "even" years where a 20% of the half of the full price is added to half of the offer price as a premium, one purchaser will use the accommodation on an "odd year" while the other will use the accommodation on an "even year". There shall be no overlapping of usage, which shall be extensively discussed in following sections. The 10 years term for occupancy shall be treated as above.

A purchaser however has an option to do a straight purchase, i.e usage of the 1 timeshare unit for the full 30 years or 10 years.

The Offer

This Prospectus relates to an offer to sell 2,538 timeshare weeks over 40 units of the Astoria Palawan using a new marketing method implemented by the company to afford purchasers cheaper prices of the offer. The exercise of the occupancy shall be done on a Straight or on an Alternate Availment System. This is discussed extensively under heading "Description of Securities".

The prices are inclusive of the Twenty Thousand Pesos (PhP 20,000.00) non-refundable processing and administration fee, RCI membership fees for the first two years and annual maintenance levy for the first year.

Proceeds from the offer, estimated at P 931,224,600 shall be applied to, among others, cost of timeshare, payment of RCI membership fee and annual maintenance levy, VAT, lease payments and for working capital.

The Company

The Astoria Vacation and Leisure Club, Incorporated (AVLCI) is a stock corporation originally registered with the Securities and Exchange Commission on September 23, 2005 with Reg. # CS2005-16093 for the primary purpose of engaging in the development of real property, construction and maintenance of resorts, condominium and related structures. Allied to these activities it will offer timeshares to the public over its existing properties as well as those it will develop in the future.

For brevity, the registrant shall consistently carry its Trade Name ASTORIA in PALAWAN in this Prospectus as well as in all flyers and selling materials. This shall distinguish reference to the Palawan resort from its other resorts located in Boracay, Bohol, Ortigas and other places where like leisure venues shall be set up in the future.

Risks of Investing

Prospective investors should take into consideration the following investment components, which may have a direct bearing in a decision to invest enumerated by order of importance:

1. Nature of investment
2. Disasters and natural calamities
3. Political and economic factors
4. Competition
5. No secondary market for time shares
6. The venue where the use of the timeshares will be exercised is covered by Contract of Lease

Summary Financial Information

Balance Sheet

	Mar 31, 2013	Dec 31, 2012	Dec 31, 2011
Current Assets	4,057,525	4,761,274	4,224,919
Property & Equipment, net	3,420,607	3,006,236	3,169,359
Other non-current assets	-	-	92,330
Total Assets	7,478,132	7,767,510	7,486,608
Current Liabilities	1,587,173	1,634,555	1,469,564
Due to Related Parties	2,388,006	2,906,495	3,323,033
Capital Stock	2,000,000	2,000,000	2,000,000
Retained Earnings	1,502,953	1,226,460	694,011
Total Liabilities and Equity	7,478,132	7,767,510	7,486,608

Statements of Comprehensive Income

	Mar 31, 2013	Dec 2012	Dec 2011
REVENUES			
Sales	10,318,155	36,720,791	29,107,920
Cost of sales	7,624,093	28,353,751	21,784,005
Gross profit from sales	2,694,061	8,367,040	7,323,915
Less: General and administrative expenses	2,299,766	7,623,465	6,934,443
Profit (Loss) from operations	394,295	743,575	389,472
Add: Interest income	1,197	11,946	14,841
Profit (Loss) before income tax	395,492	755,521	404,313
Less: Provision for income tax-current	118,999	223,072	123,106
Net income (Loss)	276,493	532,449	281,207

GLOSSARY

When used in this Prospectus, the following expressions shall have the following meanings:

Accommodation Certificate	A document issued to the member after confirmation of the booking request, which shall then presented to the reception staff upon check in.
Affiliate Resort	Any resort or venue accredited with the Resort Condominium International
Annual Maintenance Levy	The yearly sum payable by the member including such increases thereof as may be allowed under the Purchase Agreement, Membership Rules and/or other Rules and Regulations. The first annual maintenance levy is incorporated in the Purchase Price.
Assessment	Any written notification by the Company to any member of dues payable
Astoria Palawan	The name by which the resort in Palawan shall be marketed as distinguished from its resorts in Bohol and Boracay
Astoria Plaza	A full service residential Apartel located at J. Escriva Avenue, Ortigas, Pasig City
Availment System	Straight Availment A purchaser buys one timeshare unit for the full offer price and for the full period of 30 years or 10 years. Alternate Availment This method affords the purchaser with an option to buy one timeshare unit for a 15 years or 5 years accommodation which shall be exercised every other year under the “odd” “even” years category.
The Company / the Corporation	The Registrant, Astoria Vacation and Leisure Club, Incorporated
Family	Parents and their children/wards over whom the member exercises parental/legal guardianship
Gold Crown	RCI classification of a venue, which is considered Prime because of its high demand in terms of location, facilities/amenities, quality of the units.

Guests	A member's family, servants, guests or any person authorized by the member to use an accommodation or any of the amenities offered at the venue.
Guest Certificate	A document issued should a member opted to assign his accommodation right to others for a given period.
Holiday Ownership or Timeshare Ownership	The exclusive right to occupy for a specific week, every year the units as specified in the Purchase Agreement
Lease Rental	Amount paid by the Registrant to the lessor for the use of the timeshare units
Member	A person who has been registered by the Company as holder of the Timeshare Certificate
Membership Certificate or Holiday Timeshare Certificate	A document confirming the registration of a member as holder of a Timeshare Certificate indicating therein particulars of the ownership.
Cancellation Period or Cooling Off Period	<p>The period within which the purchaser of timeshares may rescind the purchase and receive a refund of the amount of the purchase price paid except for the Twenty Thousand Pesos (PhP 20,000.00) non-refundable processing and administration fees. The period may be exercised within five (5) days commencing from the date of signing of the Purchase Agreement only.</p> <p>Beyond this period, no refund shall be allowed. If the down payment for the purchase of the timeshare be less than the PhP20,000.00 processing fee, the purchaser shall be liable for the balance of the processing fee therefore the right to refund any amount paid shall not apply.</p>
Purchase Agreement	A document confirming the purchase by an investor of the timeshare week chosen to enable him to exercise the right of occupancy. This contains the right of security holders and an undertaking that in the event that the project for which the securities are sold is not completed as disclosed, it shall refund all investments of purchasers within five (5) days from written demand
RCI	Resorts Condominium International, the Exchange Provider

RCI Accreditation	Enrollment by the resort owner with the RCI to enable members to avail of the Exchange.
RCI Exchange Fee	Fee paid by a Holiday Timeshare holder in the event that the request for an exchange through the RCI is granted
RCI Membership Fee	The fee paid annually by the member to maintain membership with RCI, which is a prerequisite to the usage of the exchange privilege. The first two years' RCI membership fees are included in the Purchase Price.
Venue Rental	Amount paid by the registrant for its sales deck
Special Owners' discount price	Discounted prices of the membership being given to buyers on the day they attended the sales presentation
Millennium Properties and Brokerage, Inc. / Lessor	The owner/developer of Astoria Palawan, where the registrant leased the hotel/resort units subject of this registration
Sales Deck	Is the venue use to do the sales presentation in presenting the full concept of membership to prospective members
Timeshare	A property with a particular form of ownership or use rights, specifically, one week every year for 30 and 10 year membership subject of this registration

While timeshares are generally classified into Red, White and Blue to classify the seasons of the year, in this instance, as the venue is categorized by the RCI as a GOLD CROWN, it shall only offer RED and WHITE weeks or prime accommodations for holders of equally prime weeks of RCI affiliated resorts, the whole year round.

RISK FACTORS AND OTHER INFORMATION

General Risk Warning

- The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.
- Past performance is not a guide to future performance.
- There is an extra risk of losing money when securities are bought from smaller companies. There may be a big difference between the buying price and the selling price of these securities.
- An investor deals in a range of investments each of which may carry a different level of risk.

Timeshare though defined as security by the Securities Regulation Code is not heir to the risks enumerated above as they refer to speculative securities traded in the Stock Exchange. A timeshare is not a speculative security.

Prudence Required

The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in securities. An investor should undertake a research and study the risks of trading in securities before commencing any trading activity.

Holiday ownership purchasers who intend to invest purely for potential capital gains should consider that these are not publicly traded on an organized Exchange so that a market valuation is not readily available. The subsequent sale, transfer or lease of the Holiday Timeshares will be governed more by Company Rules and negotiation than by market forces.

It is an investor's call to focus on corporate fundamentals which are more predictable and undertake a technical analysis within the framework of earning prospects, valuation and quality of management.

Professional Advice

An investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities especially high risk securities.

Information may be obtained from the Securities and Exchange Commission for an educated decision on investment in registered securities.

Risks of investing

The predictable risks to timeshare investors discussed in the order of importance as perceived by the registrant considering the nature of the offer shares as well as the management thereof, are the following:

1. Nature of Investment

The international exchange facilities for timeshares of resorts affiliated with the RCI will be done outside the Philippines, and is conditioned on the success of the exchange process, which is neither guaranteed by the Exchange Provider nor by the issuer.

A purchaser acquires no proprietary interest in the property of the resort, and does not exercise voting rights in the management of the corporation neither is he entitled to dividend distribution.

Risk Management

Affiliation with the RCI was the initial means of addressing this risk under the original registration however within its limited years of operation, the registrant was confronted with the Exchange Provider's seeming inability to effect the exchange at the time and place chosen by the members. The Company deemed it practical to create its own destinations to cushion this annoying situation encountered by members. Affiliation with the Registrant ensures the exercise of the right to accommodation at choice vacation spots in the Philippines, at transportation costs well within the reach of members and at affordable fee.

2. Disasters and calamities

In the event of destruction of the entire resort by fire or natural calamities, timeshare holders may be deprived of the use of their vacation/lodging preference

Risk Management

This is among the reasons why the registrant has accredited with the RCI, an Exchange Provider, to ensure that the purchasers of timeshares are not left without recourse to other accommodations within the ambit of its affiliates in the Philippines. In case of destruction of the facilities at the venue, the timeshare owners will not be deprived of their vacation privilege because that is precisely the role of the Exchange Provider, to accommodate them at any chosen resort, outside or within the country.

Fire is among the risks that hotels and such structures is heir to. This insurable risk will be met the moment the building structures are put up.

3. Political and Economic Factors

Political instability in a country may cause loss of revenue because tourists become wary therefore scarce while locals tend to avoid leaving their comfort zones.

Risk Management

This is a risk, which all businesses cringe from but are powerless to provide against but just stick to good business policies and procedures to keep the business going and hope for good political environment. Being aware of one's social responsibility, like taking care of the requirements of a community suffered from a disaster or calamity, could be a solution to ease this risk factor because the country's economic and political instability is traced by experts to poverty. This risk is beyond the control of the registrant alone to manage as this involves a concerted effort of citizenry and government to maintain peace to sustain economic growth.

4. Competition

The operation of the Registrant is expected to encounter competition from existing hotels and lodging concerns conducting similar business in the area. Competition will come generally in the competitiveness of the offer price, the amenities offered and the accessibility of the venue.

The Company shall put up a highly competitive resort that can compete with the likes of its distant neighbors like the famous Dos Palmas and El Nido, which may not really pose as a threat because of the distance from Palawan.

Risk Management

Good and efficient management is the best weapon against competition. Facilities and amenities are of no pith and moment if guests are not treated with the utmost hospitality and care. As far as management of the venue is concerned the registrant does not have to prove itself because it has withstood the test of time. Since its registration it never faltered in providing the best service there is in the business.

5. No Secondary Market for Timeshares

This class of securities is sold over the counter and not through the Stock Exchanges. Selling of timeshares is done via marketing outfits owned by the resort owner.

Risk Management

At presentations conducted by its marketing staff, the fact of its sales being handled solely by the developers of the timeshares is emphasized. The decision then to buy or not to buy the offer is solely the responsibility of the purchaser after being apprised of the circumstances of the sale.

6. The venue is covered by Contract of Lease

The Company signed 3 contracts of lease over the Resort. One is for the 25 units to be used for 33 years. The 2nd Contract is for the lease of 15 units to be used for at least 13 years. The 3rd Contract is between Millennium and Mr. Jeffrey Ng who owns the title to one of the lots over which the Resort will be built.

Risk Management

This should not pose as a risk because Mr. Ng heads both corporations and it is to his best interest of both to honor the commitment.

USE OF PROCEEDS

The offer under this registration is expected to raise a maximum of P 931,224,600. The proceeds shall be utilized in the order of priority as follows:

Particulars	Amount
Gross Proceeds	931,224,600
Discounts	260,742,889
RCI Membership	60,912,000
VAT	65,311,040
Net Proceeds	544,258,671
Application:	
Cost of Timeshare	333,189,867
Maintenance Levy	25,944,000
Lease Payments	122,400,000
CAPEX	32,362,626
Total	513,896,493
Balance	30,362,177

Cost of timeshare

Particulars	Amount
Commissions	108,851,734
Registration Fee	785,893
Taxes and Licences	88,436,916
Publications, Promo & Advertising	5,400,000
Printing of Prospectus and Other Selling Materials	1,116,250
Salaries	11,340,000
Allowance	19,692,000
Other Expenses:	
Venue Rental	23,652,000
Tradeshows and Exhibits	25,420,437
Gift Certificates*	10,296,000
Telephone (Telemarketers)	1,386,000
Cellphone (Telemarketers)	3,960,000
Refreshments	7,862,400
Owner's Pack	1,395,900
Competition (with quota)**	3,420,000
Bonuses for Sales and Marketing	6,840,000
SPIF (Special Performance Incentive Fund) Budget:	
Sales	8,163,880
Marketing	4,081,940
Miscellaneous	1,088,517
TOTAL	333,189,867

* Issued to prospective members upon attending the sales presentations. The cost allocation is the estimated cost to be incurred for availing or using the gift certificate

**Additional incentives given to Sales & Marketing group every time they meet the quota. This incentive scheme is on a competition basis among Sales & Marketing Team

*** Special Performance Incentive Fund

Balance on the proceeds will be allotted for working capital, which will be used for expenses, such as but not limited to administrative salaries, supplies, employee benefits, utilities, communication, miscellaneous expenses among others and other unexpected costs that may arise. Any remaining portion shall be used for the Company's any other corporate purposes.

As of the moment, the company has no plans yet where to invest should there be any material excess amount on the balance of the proceeds after settling the amount needed for its working capital.

Capital Expenditure is as follows:

Particulars	Amount
Appliances	3,725,458
Furniture and Fixtures	26,889,858
Linen Stock	1,747,310
TOTAL	32,362,626

Schedule of Lease Payments

Description of the Lease (no. of units)	Effective Date	Year of Coverage	Total No of months for 72 units	Rate per month	Total
Lease contract for 25 units	Jul 2013	33 yrs	9,900	10,000	99,000,000
Lease contract for 15 units	Jul 2013	13 yrs	2,340	10,000	23,400,000
TOTAL					122,400,000

No material amount of proceeds shall be used to acquire assets or finance the acquisition of other business.

No material amounts of other funds are necessary to accomplish the specified purpose/s for which the offering is made.

DETERMINATION OF OFFER PRICE

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

- **Prevailing market price for the securities offer**
The amount was arrived at, on the basis of a survey and evaluation of effective prices among the existing potential competitors.
- **Facilities/amenities offered at the venue**
In order for the price to be competitive a survey of amenities offered by competitors as well as those offered by similar accommodations abroad was identified to ensure that marketability of the project is achieved. The needs and demands of the market is the prevailing factor in determining the offer price.
- **Location of the Hotel**
The Astoria Palawan is located in San Rafael, Puerto Princesa by the picturesque Honda Bay. It is a short 45-minute drive north of the Puerto Princesa International Airport. To make the offering attractive and reasonable to purchasers, the price was structured to fit prospective clients, such as expatriates and residents of the surrounding areas.
- **Exchange membership fees for the first two years, and annual maintenance levy for the first year.**
- **Price Factors which are common to all who are in sales of whatever commodity:**
 - Commission to sales personnel
 - Management fees or expenses
 - Administration expenses and salaries of staff
 - Advertising and marketing costs
 - Miscellaneous expenses

PLAN OF DISTRIBUTION

The timeshares shall be distributed by the Registrant's own marketing group who are holders of the Certified Investments Solicitor (CIS) permit issued by the Securities and Exchange Commission to sales Consultants engaged in the offering of Timeshares. This license shall be obtained by the Consultants who shall submit to a seminar conducted by the Market Regulation Department (MRD) of the Securities and Exchange Commission, after the Registration Statement has been rendered effective but before actual sales shall be done.

The Marketing Program involves the usual protocol followed by marketing outfits. Its sales promotion shall utilize advertising, mail drop, telemarketing, and referral system. Promotions will be done through exhibits, correspondence and telemarketing. It shall likewise make use of billboards, sign boards, direct mailing to target market, invest in both print and media exposure and set up offices in target locations or access points.

The program is aimed at educating the clients on the benefits of owning a Timeshare, via an audio visual presentation explaining the RCI Exchange System whereby a member can exchange their intervals in over four thousand (4,000) resorts, worldwide.

The marketing staff is composed of permanent and contractual personnel employed by the Company on a salary/commission basis. Total compensations in the amount of P53,537,820 shall be paid by the company to its selling agents. Except the twelve (12) key employees composed of sales and marketing officers, the rest of the staff is considered on project basis thus no employee-employer relationship will be established.

The Company shall qualify the prospective members before actual sale/transfer of the certificate is executed. The pre-qualification of purchasers shall be done by matching their personal circumstances vis a vis the company's criteria, which actually is initially done prior to the invitation for them to attend the presentation and at the actual process of asking them to sign the documents to the investment. The qualifying circumstances are:

- applicants should be 18 years old and above,
- if married, the combined monthly income should be at least PhP40,000.00 monthly,
- if single, separated, widower or widow the prospect should be of legal age and with a monthly income of PhP50,000.00

In addition to the form where the prospects are asked to fill in their personal circumstances, personal interviews are conducted to confirm their eligibility.

Sale of timeshares in the secondary market shall be effected only upon pre-qualification of prospective buyers based on the standards set by the company.

During the client presentation, the Company will offer the following incentives:

1. Enrollment with RCI (upon reaching at least 40% payment equivalent of the total contract price.)
2. Eligibility for a Mini-Break or 3 Days-2 Nights Accommodation at the venue after forty percent (40%) payment of the purchase price.
3. Entitlement to upgrade unit size and extra week at Special Owners Discount Prices.

The Company offers discounts to timeshare purchasers for as long as they avail the membership on the day they attended the sales presentation, wherein, cash purchasers are given a forty percent (40%) discount, which can be paid either thru cash, cheque or credit card or a 20% to 30% discount for installment purchasers.

The following installment plans are available:

30 to 90 days	10% down payment, balance payable in three (3) equal monthly payments to commence on the second month from date of sale. Buyers of this plan are given a thirty percent (30%) discounts.
Installment (3 yrs)	10% down payment, balance payable in thirty-six (36) equal monthly payments to commence on the second month from date of sale. Buyers of this plan, on the other hand, are given a twenty percent (20%) discounts.

If a purchase is made on an installment basis, the following rules shall apply in the event of delay and/or default in installment payment(s):

- If a purchaser, fails to pay his regular installment after thirty (30) days of having received a written notice, the Company shall send a further notice to the purchaser advising that failure to discharge in full the arrears (including any arrears that have risen since the date of the first notice) within thirty (30) days from receipt of notice, will result in the termination of the Purchase Agreement without the benefit of refund to the purchaser or any and all prior installment payments made before the default.
- Upon default, the Registrant shall have the exclusive right and option to demand all outstanding amounts to be immediately due and demandable, and require payment of the same.

DESCRIPTION OF SECURITIES

Timeshare ownership is a legal arrangement that enables a purchaser to own one weekly interval at the Astoria Palawan or any of its offered destinations. The purchaser has the right to occupy a specific room type chosen by him at the time of purchase which details are incorporated in the Purchase Agreement.

On the third year, the owner may continue his membership with RCI by paying the RCI membership fees for the succeeding years. The owner can either use his timeshare each year at Registrant's venue or he may exchange it through the RCI for another RCI affiliated resort. The ownership of the timeshare shall represent ownership of future accommodation for Thirty (30) or Ten (10) Years (Fifteen years each or five years each, in case of alternate usage), ensuring substantial savings on future holiday accommodation assessments. If the owner does not use his specific week for a particular year, the right to use it may be banked with the RCI.

The fact that the term of existence of the company is for 50 years should not cause anxiety to the investors because aside from the fact that the expiry of its 50 years of existence is still far off, the company has limited its selling period to 3 years.

The Company competes actively with the existing non-proprietary membership clubs operating within the Philippines in terms of quality of service, the price, terms and conditions of the club being sold, and the location of the sites and its environment.

In relation to the ongoing construction of facilities and timeshare units, the Company undertakes to refund to the purchaser, without interest, the amount of the purchase price paid by such purchaser for the purchase of the Timeshare or the Membership Certificate within ten (10) days from receipt of a written demand from the purchaser, demanding such refund, in the event that the facilities and amenities of the Club as specified in the Prospectus are not completed within the period for delivery as disclosed.

Straight Availment System

In this kind of availment system, members shall have the benefit and privilege of having a one (1) week accommodation entitlement every year for 30 years or 10 years depending on his acquired membership. This entitlement can be used either to his home resort every year, which is the Astoria Palawan, or to any other hotels/resorts affiliated with RCI.

Alternate Availment System

To make the purchase of timeshares affordable to those who are really interested in the program but do not have sufficient cash or expected income to cope with the payments, the registrant devised a method by which the purchaser may buy at a price where a 20% of half of the full price is added to half of the offer price as a premium.

In this registration, the right of occupancy of 30 years is amended into 15 years each unless the buyer opts for a full 30 years accommodation. Fifteen (15) years shall be sold at a price where a 20% of half of the full price is added to half of the offer price as a premium for an alternating 15 years usage or "even" years while the other 15 years shall be used by purchasers of "odd" years. So, instead of only 1,880 timeshares, which is 40 units x 47 weeks a year, only 1,222 timeshares will be allocated to full membership while 1,316 to alternate availment system timeshare membership will be issued. Neither the cost, nor the availability of the units sold under the original registration will be affected by the current registration.

The formula above mentioned shall be likewise apply for purchasers of the 10-5 years accommodation.

The Timeshare Certificate shall be issued within 60 days upon 100% payment of the purchase price.

Annual RCI Membership Fee

RCI Membership is computed as follows:

30 - year Membership

Straight Availment system

Unit Type	RCI M'ship Fees	Year 1		Year 2		Year 3		TOTAL	
		No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount
Studio Regular	24,000	157	3,768,000	157	3,768,000	156	3,744,000	470	11,280,000
Studio Premier	24,000	31	744,000	31	744,000	32	768,000	94	2,256,000
1 BR	24,000	16	384,000	16	384,000	15	360,000	47	1,128,000
2 BR	24,000	16	384,000	16	384,000	15	360,000	47	1,128,000
TOTAL		220	5,280,000	220	5,280,000	218	5,232,000	658	15,792,000

Alternate Availment system

Unit Type	RCI M'ship Fees	Year 1		Year 2		Year 3		TOTAL	
		No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount
Studio Premier	24,000	188	4,512,000	188	4,512,000	188	4,512,000	564	13,536,000
1 BR	24,000	63	1,512,000	63	1,512,000	62	1,488,000	188	4,512,000
2 BR	24,000	94	2,256,000	94	2,256,000	94	2,256,000	282	6,768,000
TOTAL		345	8,280,000	345	8,280,000	344	8,256,000	1,034	24,816,000

10 - year Membership

Straight Availment system

Unit Type	RCI M'ship Fees	Year 1		Year 2		Year 3		TOTAL	
		No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount
1 BR Regular									
Red	24,000	15	360,000	15	360,000	14	336,000	44	1,056,000
White	24,000	17	408,000	17	408,000	16	384,000	50	1,200,000
Studio Regular									
Red	24,000	73	1,752,000	73	1,752,000	74	1,776,000	220	5,280,000
White	24,000	83	1,992,000	83	1,992,000	84	2,016,000	250	6,000,000
TOTAL		188	4,512,000	188	4,512,000	188	4,512,000	564	13,536,000

Alternate Availment system

Unit Type	RCI M'ship Fees	Year 1		Year 2		Year 3		TOTAL	
		No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount
1 BR Regular									
Red	24,000	44	1,056,000	44	1,056,000	44	1,056,000	132	3,168,000
White	24,000	50	1,200,000	50	1,200,000	50	1,200,000	150	3,600,000
TOTAL		94	2,256,000	94	2,256,000	94	2,256,000	282	6,768,000

The P24,000 refers to the annual membership fee of P12,000 times two (2) years which is included in the purchase price. Total cost of registering a total of 2,538 timeshare membership is P60,912,000.

Annual Maintenance Levy

Members shall pay the Annual Maintenance levy to meet the cost and expenses of the Company for the proper operation and maintenance of the Club in respect of each Membership Year.

Members shall be notified of the increase in fees upon the Board's approval of the said increase and a report (under oath) on any increase in fees and the rationale for said increase shall be made to the SEC within thirty (30) days from Board approval.

The Levy for each membership year commencing during the fiscal year shall be computed by dividing the aggregate amount of estimated expenses to be incurred by the Company during that financial year and the number of weeks held by the members. The estimated annual Maintenance Levy for each fiscal year is as follows:

30-year Membership

Straight Availment System

Unit Type	Annual Maintenance Levy	Year 1		Year 2		Year 3		TOTAL	
		No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount
Studio Regular	12,000	157	1,884,000	157	1,884,000	156	1,872,000	470	5,640,000
Studio Premier	14,000	31	434,000	31	434,000	32	448,000	94	1,316,000
1 BR	16,000	16	256,000	16	256,000	15	240,000	47	752,000
2 BR	18,000	16	288,000	16	288,000	15	270,000	47	846,000
TOTAL		220	2,862,000	220	2,862,000	218	2,830,000	658	8,554,000

Alternate Availment System

Unit Type	Annual Maintenance Levy	Year 1		Year 2		Year 3		TOTAL	
		No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount
Studio Premier	7,000	188	1,316,000	188	1,316,000	188	1,316,000	564	3,948,000
1 BR	8,000	63	504,000	63	504,000	62	496,000	188	1,504,000
2 BR	9,000	94	846,000	94	846,000	94	846,000	282	2,538,000
TOTAL		345	2,666,000	345	2,666,000	344	2,658,000	1,034	7,990,000

10-year Membership

Straight Availment System

Unit Type	Annual Maintenance Levy	Year 1		Year 2		Year 3		TOTAL	
		No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount
1 BR Regular									
Red	16,000	15	240,000	15	240,000	14	224,000	44	704,000
White	16,000	17	272,000	17	272,000	16	256,000	50	800,000
Studio Regular									
Red	12,000	73	876,000	73	876,000	74	888,000	220	2,640,000
White	12,000	83	996,000	83	996,000	84	1,008,000	250	3,000,000
TOTAL		188	2,384,000	188	2,384,000	188	2,376,000	564	7,144,000

Alternate Availment System

Unit Type	Annual Maintenance Levy	Year 1		Year 2		Year 3		TOTAL	
		No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount	No. of TS Units	Amount
1 BR Regular									
Red	8,000	44	352,000	44	352,000	44	352,000	132	1,056,000
White	8,000	50	400,000	50	400,000	50	400,000	150	1,200,000
TOTAL		94	752,000	94	752,000	94	752,000	282	2,256,000

The amount of Maintenance Levy need not be paid for the first year because it is incorporated in the purchase price.

The assessment of the Annual Maintenance Levy for each financial year shall be issued to the member one (1) month before the start of the financial year, every first day of December to be exact. Payment shall be due and payable on or before thirty (30) days before the start of the next financial year or whenever a member makes a reservation for usage, whichever event appears first in time. The method and procedure of payment may from time to time vary as the Company may introduce alternative payment dates, discounts and other incentives for prompt payment as it considers appropriate. Notices and other communications on the charging of fees shall be sent to members and copies thereof posted in the Bulletin Board situated at conspicuous place/s at the site.

Formula for assessment thus:

Assessment = one month before start of financial year = Dec. 01, 2012

Payment = on or before 30 days before start of the next financial year = Jan. 01, 2013

The Annual Maintenance Levy shall be used for the following purposes to ensure that the Units will meet high quality standards:

- Maintenance, repair, redecoration refurbishment, cleaning and when necessary, renovation of the units and common areas;
- Maintenance, repair and when necessary replacement of furniture, equipment, utensils, fittings and fixtures in or about or used with the units;
- Insurance of the units and their contents for their full reinstatement cost;
- Payment of all expenses incurred in connection with all work or acts which are required to be done to comply with statutory provisions or directions or notices, of any governmental, local or public authority;
- Payment of any reasonable charges which may be incurred in the management and preservation of the value of the Company's property and the operation of the hotel or the provisions of services by the Company, including the provision of reception, maids, housekeeping, laundry, security, gardening, entertainment, child-care service, and any value-added tax or any other impositions in respect of the same;
- Payment of the fees and expenses of the auditor, lawyers and other professional advisers of the Company;
- Payment of any Bank or administrative charges levied by the Company to take account of the costs of receiving Annual Maintenance Levies in foreign currencies or from overseas.

Financial Obligation of Members

Annual Maintenance Levy (second year, onwards)

Studio Regular -----	Php 12,000.00
Studio Premier -----	Php 14,000.00
One bedroom -----	Php 16,000.00
Two bedrooms -----	Php 18,000.00

Annual Increase in the Maintenance Levy, if any, shall be maximum of 10% or the government mandated inflation rate, whichever is lower, subject to Commission's approval.

RCI Fees (third year onwards)

From the third year of membership and onwards, a member may opt to renew his RCI membership either annually or for a maximum of five (5) years under the following renewal fees:

1 year	-----	S\$	150.00
3 years	-----		330.00
5 years	-----		500.00

A member will pay the RCI Exchange Fee only if he avails of a successful exchange of week and resort through RCI. The fee will vary depending upon the location of the chosen resort and whether the exchange will be for a full week, a weekend or weekdays.

RCI Exchange Fee

Asian and Domestic	-----	S\$	188.00
International	-----		388.00

The Weekend Exchange and the Midweek Exchange are bonus offers granted for those who choose not to avail of the regular week purchased but would rather spend a shorter period in any of the Asian resorts. This scheme makes the enjoyment of the timeshare weeks more flexible for the purchasers.

All figures are as of May 31, 2013.

ASTORIA PALAWAN

All timeshare purchaser of Astoria Palawan shall be automatically a member of AVLCI. A purchaser will be considered AVLCI Member provided that he was able to pay at least 10% deposit equivalent of the purchase price indicated in the purchase agreement and remains active.

All AVLCI Members will be automatically enrolled into the RCI Exchange System as soon as they are able to pay the purchase price equivalent to at least 40% so as to become a member of RCI. Their membership with RCI will be paid by the Registrant and will be good for two years. Starting on the third year, it will be the option of the member should they pay the renewal fee to continue their membership with RCI. There is no way that their RCI Membership will affect their AVLCI Membership.

Club membership shall be subject to the terms and conditions of the House Rules.

How To Become a Member

Any person, not being a minor, may own and purchase a timeshare and be admitted as a member of the Club after pre-qualification requirements are met. The term person shall include a juridical person, in legal contemplation.

All potential clients are invited to attend a presentation at which the Program is explained and offered. A copy of the Prospectus is given to participants in the presentation.

When a client agrees to invest in the Program, a Purchase Agreement is signed and the full payment of the purchase price or a ten percent (10%) down payment is required. As a purchaser on installment basis, the balance of the purchase price can be amortized in up to three (3) years, without interest. A purchaser on an installment basis further, shall be considered as member, provided he was able to pay at least ten percent (10%) required amount of down payment. As such, he can also enjoy all the benefits and privileges of a member except for his week entitlement, which shall commence only upon full payment of the purchase price.

Register of Members

No person shall be considered as member unless his name appears in the Register of Members, and all names appearing in the Register are prima facie members of the AVLCI Palawan. The Company shall maintain in its custody the Register of Members that shall contain, at least, the following information:

- The names, addresses and telephone numbers and the corresponding Holiday Ownership Week and unit type owned.
- Date of entry as member.

Availing of the Fixed Holiday Ownership

Members may request for the use of his unit at the home resort immediately upon full payment of purchase price. To avail oneself of international exchange, full payment of his purchase price and the RCI exchange fee are required

If the availment will be at any of the RCI accredited resorts, the members may request for a reservation for the use of their fixed week forty-five (45) days after full payment of the purchase price to give RCI sufficient time to process his registration. Reservations can be made up to twenty-four (24) months in advance or at least, thirty (30) days before the check-in date. However, confirmation of his intention to use the reserved week must be made within seven (7) days prior to the designated check-in date otherwise, his Holiday Week will be considered open and may be reserved by any other Member. In such instance, the management will have the right to rent the unconfirmed Holiday Week for the value of the relevant Annual Maintenance Levy. In the event of the Management exercising such right, when the Annual Maintenance Levy for that year has been paid by the Member, the rent received by the Company shall be credited against the following year's Annual Maintenance Levy of the Member.

Reservation is made, by accomplishing and submitting to the Reservations Department, a Reservation Request Form. The Reservation Request Form should indicate the Membership number found at the top right hand corner of the Timeshare Membership Certificate. He should, in addition, inform the Reservations Department of his travel dates, the number of people accompanying him and the lodging units he or his guests require.

Reservation of a Holiday Week other than that specified in the Timeshare Membership Certificate shall be honored on a strictly first-reserved, first-served space available basis.

The Reservations personnel will call the member to confirm its receipt of the Holiday Week confirmation Form. If the member does not receive word within forty-eight (48) hours from furnishing the Reservations Department of his Holiday Week Confirmation Form, call should be made to the Reservations Department. The Reservation Officer will then send an Accommodation Certificate to the member as written confirmation of the Members' reservation request. The confirmation will specify the fees charged for the reservation. The Member should present his Accommodation Certificate to the reception staff upon check-in.

The current Annual Maintenance Levy should be paid before a member can make a reservation. This levy may be changed from time to time and implemented after due notice. A member must also be in good standing with respect to all other financial obligations and dealings with the Club.

The RCI Exchange System

As an RCI member, the timeshare holder is given the privilege of taking his vacations at any of the affiliated resorts that are part of the world's largest vacation exchange network. With RCI, one can have a vacation at different resorts, at different times through a variety of exchange options. Holiday ownership owners can enjoy the privilege of visiting resorts in Asia Pacific and around the world.

RCI's Vacation Exchange System is used by more than a million owners around the world. RCI's dedicated vacation consultants are available twenty-four hours to help members plan their vacations. Their phone lines are open five and a half days a week, year round from the Philippines. A Holiday owner can call RCI's Asia Pacific Head Office toll-free at 1-800-651-0048.

RCI offers the following:

- Over four thousand (4,000) resorts to choose from
- Travel Insurance
- RCI Asia Pacific has negotiated an exclusive travel insurance package for members with the Leisure Safe Insurance. For a minimal sum, members can be assured of worry-free vacations.
- Publications
- To provide members with exciting travel information and great ideas on where and when to travel, RCI publishes Endless Vacation magazine and the RCI Directory of Resorts.

RCI's unique Spacebank concept allows members the opportunity to deposit the weeks and to request for vacation exchanges.

Basic steps to making a Holiday Exchange transaction:

Step 1

Deposit the Holiday week into the RCI space bank pool up to twenty-four (24) months in advance, or as close as thirty (30) days before the starting date of the Holiday entitlement. All it takes is a telephone call.

Step 2

Request for a vacation exchange. Simply consult the Endless Vacation magazine or the RCI Directory of Resorts and Supplement for information on RCI affiliated resorts available for exchange. (These contact numbers and addresses are provided upon membership.) Once the week has been deposited and the member has decided where to spend the vacation, the member can request an exchange with a start date as close as two days away, or as far as two years in advance. To ensure member satisfaction, RCI's Exchange System operates on a value-for-value basis. The Exchange System will work best for the member if he requests resorts with accommodations (units or villas) and time divisions (red, or blue) similar to those of the deposit. An exchange fee is required when request for Holiday week is made.

Step 3

Upon confirmation of the Holiday week exchange request, RCI will send:

- A written vacation exchange confirmation; and
- A resort information sheet with comprehensive information on the confirmed resort and resort area.

All the above benefits may be availed of, only if the Resort continues to be affiliated with RCI, and the member has paid the membership fees for the year. The Company's affiliation with RCI is renewable every six years.

The RCI Asia Pacific Pte. Ltd. is located at #37 Jalan Pemimpin, Block #05-01, Clarus Centre, Singapore, 577177. Tel. Nos: +65 6223 4333, Fax: +65 6223 4334. Email asiamembers@rci.com. Its toll free telephone number is 1-800-6510048.

HOUSE RULES

Use by Guests

The procedure for availing of the Holiday Ownership by the owner is the same for guests. However, the owner must disclose in the reservation and confirmation process that his guest, and not him, will use the Holiday Ownership.

Instead of an Accommodation Certificate, the Company will issue a Guest Certificate. Guests will be required to show proof of identification and sign a registration card at check-in. They will be treated as members.

Guests shall observe all provisions of the House Rules. A member warrants that his guest shall comply with the House Rules and will be responsible for any repairs for damages whether caused intentionally or through negligence.

No one under the age of eighteen (18) years may occupy the unit unless accompanied by a person aged twenty-one (21) years or older.

A member may charge guests at an agreed price for their use of the Holiday Ownership. The member must however indicate on the Reservation Request Form that the guest is renting the Holiday Ownership from him.

Undertaking of Compliance with SEC Directives

The Corporation undertakes to comply with the following commitments:

1. The Company shall qualify the prospective members before the actual sale/transfer of the share/certificates is executed.
2. Report under oath to the Securities and Exchange Commission (SEC) any increase fees upon the Board approval.
3. Notify the members of the increase in fees upon the Board's approval of said increase.
4. Post notices and other communications on the charging fees, on bulletin boards situated at conspicuous places at the site.
5. The Company shall not collect monthly membership dues unless the project is fifty percent (50%) usable as indicated in the Prospectus, unless the Company's By-Laws provide for a higher percentage of usability.
6. The Certificates shall be issued within sixty (60) days from the date of full payment.
7. The CIS of selling agents shall be obtained as soon as the Permit to Sell Securities has been issued.

Rights and Privileges of Members

- Any Member may apply to dispose of his exclusive right of occupation to any person, twenty-one years and above, whether by sale, gift, or otherwise, by means of a Certificate of Transfer appearing on the dorsal portion of the Timeshare Membership Certificate.
- Upon the death of a Member, his personal representative may apply to pass off his exclusive right of occupation in accordance with the Philippine law on succession, both testate and interstate.
- A member may let or grant rights of occupation of the unit to which his membership relates for the whole or a part of the weekly period to which his membership relates, subject to the consent of the Company, provided that the member will, in any event during the period, remain fully responsible for all obligations incumbent on the holder of the Membership Certificate.
- A member may also affiliate with the RCI and avail of the benefits of the Exchange Program subject to fees and other charges imposed in connection with the affiliation.
- Whether or not he has fully paid for the purchase price, the purchaser shall have the right to cancel his purchase and claim refund for any amount he has paid, without interest, within a period of five (5) days from the day he signed the Purchase Agreement, except for the non-refundable Processing and Administration Fee of Twenty Thousand Pesos (PhP 20,000.00).

Option Privilege

Astoria Boracay

Astoria Boracay, Inc. (formerly Boracay Gold Crowne Club, Inc.) is an affiliated company of the registrant. It owns a resort located at Boracay Island. The Company and Boracay Gold Crowne Club, Inc. have entered into a Memorandum of Agreement, which provides quality standard accommodations to its members.

Option privilege is a free booking and accommodation with the Astoria Boracay, Inc. at Boracay Island Resort, which can be availed of by the Company Members on the following conditions:

- a) Members who are active, free and clear to any liabilities with the Company;
- b) Members must request for a booking and accommodation with Astoria Boracay, Inc. at Boracay Island Resort before the option may be exercised;
- c) The Management of Astoria Boracay, Inc. has the exclusive right to accept or deny (due to room availability) the request for booking and accommodation of AVLCI members.

All bookings are subject to room availability of Astoria Boracay, Inc. All bookings further will be for the account of Company and payment will be made by the latter within 90 days from the 1st day after the accommodation or booking period.

Period or the number of days of accommodation by AVLCI Members at Astoria Boracay shall be automatically deducted to the same/equal days with its one weekly interval timeshare ownership at Astoria Palawan. However, the remaining period/days for the one-week timeshare ownership shall be considered or can be used at Astoria Palawan.

Members shall have the exclusive right as a Timeshare holder of only one-week vacation at Astoria Palawan. Accommodation at Boracay Island Resort is only an option privilege granted on conditions stated above.

The Management of Astoria Palawan and Astoria Boracay, Inc. can charge or demand payment from Members who avail of the Astoria Boracay, Inc. for damage to property during their stay and usage excess of its right to Timeshare ownership at any Astoria Properties.

Astoria Bohol

Astoria Bohol is an affiliated company of the registrant. It owns a resort located at Baclayon, Bohol. The Company and Astoria Bohol (Millennium Properties and Brokerage, Inc.) have entered into a Memorandum of Agreement, which provides quality standard accommodations to its members.

Option privilege is a free booking and accommodation with the Astoria Bohol at Baclayon, Bohol, which can be availed of by AVLCI Members on the following conditions:

- a) Members who are active, free and clear to any liabilities with AVLCI;
- b) Members must request for a booking and accommodation with Astoria Bohol before the option may be exercised;
- c) The Management of Astoria Bohol has the exclusive right to accept or deny (due to room availability) the request for booking and accommodation of AVLCI members.

All bookings are subject to room availability of Astoria Bohol. All bookings further will be for the account of the Company and payment will be made by the latter within 90 days from the 1st day after the accommodation or booking period.

Period or the number of days of accommodation by AVLCI Members at Astoria Bohol shall be automatically deducted to the same/equal days with its one weekly interval timeshare ownership at Astoria Palawan. However, the remaining period/days for the one-week timeshare ownership shall be considered or can be used at Astoria Palawan.

Members shall have the exclusive right as a Timeshare holder of only one-week vacation at Astoria Palawan. Accommodation at Astoria Bohol is only an option privilege granted on conditions stated above.

The Management of Astoria Palawan and Astoria Bohol can charge or demand payment from AVLCI Members who avail of the Astoria Bohol for damage to property during their stay and usage excess of its right to Timeshare ownership at any Astoria Properties.

Obligations Of And/Or Limitations on Members

Each member shall be subject to the following obligations, and such obligations shall continue to bind his estate after his death and until such time as his Timeshare Membership Certificate shall have been transferred to a new Member:

- At all times comply with the provisions of the House Rules, Membership Rules and other rules and regulations as amended from time to time.
- In the event of breach of any of the above, by a member or his guest, the member shall be subject to the penalties imposed by the Company. The company shall in no case be responsible for the actions or conduct of any Member or guest at any time, when using the venue.
- Upon request by the venue personnel, the member shall present his/her Membership Card for identification purposes. The Membership Card cannot be used as a form of payment.
- To keep and maintain the interior of the venue and all its contents in a good and tenable state and condition during the period of his or his guest's occupancy, and to pay and indemnify the Company against any damage, deterioration or dilapidation, other than the result of fair wear and tear and damage or destruction by fire or any other insured risk, which may have occurred during his occupancy, of which the Company shall be the sole judge.
- Not to do anything which would make void or voidable the insurance of the unit and its contents or any other insurance for the time being, in force and relating to the units, or which may operate to increase the premium payable in respect of any such insurance; to indemnify the Company against any increase or additional premium, which by reason of any such act or default may be required for effecting or keeping up such insurance; and, in the event of the facility or any other property or any part thereof being damaged or destroyed by any insured risks, the insurance money being wholly or partially be irrecoverable by reason solely, or in part, of any act or default of such member, to pay a fair proportion, to be conclusively determined by a surveyor to be appointed by the Company, of the cost of rebuilding and/or reinstatement of the same, together with the whole or portion of the fees of the surveyor.

- In the event that any repair or maintenance work is required of a part of the venue or its contents while it is occupied by the Member, to allow access on reasonable notice to enable such work to be carried out with due diligence and speed, except in case of emergency, when no notice will be necessary.
- Not to make alterations on the venue.
- To vacate the venue to which the Timeshare Certificate relates, on the last day of each week allocated to him in any year at 11:00 AM, local time. This is to allow clean-up and preparation for the earliest possible check-in time at 4:00 PM of the same day.
- If the member or his guest fails to vacate the venue by check-out time of the last day of his week, the Member will be charged all the costs of financial and other consequential damages incurred by the Company and the affected Member.
- In no event shall the occupancy limitation be exceeded. If a Member with the occupancy limitations established, he shall be charged a penalty for such breach. The amount of penalty will be set at the sole discretion of the Company.
- To pay all other expenses incurred by the Member, including long distance and overseas telephone calls made, during occupation of the venue; to pay such reasonable deposit as the Company may demand against such charges; and where the unit is not metered, the Company may make a preliminary charge on the basis of estimated consumption.
- To notify the Company of any change in his permanent address.
- To pay the Annual Maintenance Levy on or before its due date.
- To pay all costs related to the issue and registration of an alternative document conveying the right to use by the Member of the weekly periods in the venue designated in the Membership Certificate.
- Any confirmation of reservation will not be honored if the Member is in default for any amount owing to the Company as of the check-in date and time for which the Confirmation was given.

If substantial charges remain unpaid, suspension of a Membership can be implemented, until such time as charges are paid. Subject to Company approval, failure to pay substantial charges, in exceptional cases, may result in termination of membership. Initially the non-payment of charges amounting to a total of twenty thousand pesos (PhP 20,000.00) is considered substantial.

If, in the ultimate discretion of the Company, any Member shall have committed a substantial breach of the obligations imposed on him by the House Rules, then the Member's rights and privileges may be suspended or canceled by the Club upon written notice to this effect to the Member.

Procedure for Termination of Membership

After sixty (60) days of being sent written notice of a substantial breach, the Member's exclusive rights of occupation shall be suspended until the default is remedied. If the default is not remedied within sixty (60) days of the notice first being given, the Company shall send a further notice to the Member advising that failure to comply within thirty (30) days, will result in permanent cancellation of the Member's exclusive right of occupation. If the breach is not remedied within that period of notice, the Member's right of exclusive occupation shall be cancelled and sold as soon as possible at whatever price the Company can get and the proceeds of the sale applied to the satisfaction of the arrears and any expenses incurred by the Company in effecting the sale. The balance, if any shall be remitted to the Member.

Powers of the Company under the Timeshare Program

The Company shall have the power to do all things that may be necessary to carry out the purposes of the Holiday Ownership and for its general management. It shall have the following specific powers:

- The power to contract or otherwise obtain other benefits such as travel, leisure products, cruises and other related products or services for the use of the Members.
- To amend the House Rules, Membership Rules and other rules and regulations, provided that the members are notified and informed of amendments one (1) month before the amendments become effective.
- The power to suspend or cancel the exclusive rights of occupation of a member who has committed a substantial breach of his duties and responsibilities. Initially repeated violations for at least three (3) consecutive times of the obligation to vacate by check-out time, non-compliance with occupancy imitations, non-payment of substantial charges and the Annual Maintenance Levy are considered as substantial breaches to warrant the suspension/cancellation of Membership.
- To contract a Management Company to administer, supervise and manage the Club, and the Holiday Program.
- To substitute a different unit at the Venue of similar or better standard than the type specified in the Timeshare Membership Certificate.

Transfer of Holiday Ownership

In the event of the sale or transfer, the Timeshare Membership Certificate shall be delivered to the Company with the Request for Transfer properly endorsed by the transferor to the transferee. A reasonable fee of five thousand pesos (PhP5,000.00) will be charged for the registration of transfer and issuance of a new Membership Certificate, which fee may be revised from time to time after prior clearance with the Securities and Exchange Commission.

Upon payment of the required fee, the payment of all outstanding obligations to the Company and the Club and with the transferee's express consent to assume all liabilities to the Company and the Club as of the date of transfer and be bound by the provisions of the Purchase Agreement and all rules of the Club, the Company shall promptly issue a new Membership Certificate.

Upon delivery to the Company of the Certificate evidencing the exclusive right of occupation to be transferred, together with a completed Request for Transfer signed by the transferor and such fee as the Company has assessed, the Company shall replace the name of the transferor with that of the transferee in the Register of Members and issue a new Certificate of Membership in the name of the transferee.

In case of death of the member, the heir may present the Timeshare Membership Certificate and the inheritance document to the Company for the registration and issuance of a new Certificate. The fee and the assumption of liabilities and obligations discussed above are also applicable to the inheritance.

INTEREST OF NAMED EXPERTS AND INDEPENDENT COUNSEL

There are no named experts who have any direct or indirect interest in the Registrant

INFORMATION WITH RESPECT TO THE REGISTRANT

Corporate Information

The Astoria Vacation & Leisure Club, Incorporated (The Registrant/Company) is a stock corporation registered with Securities and Exchange Commission on September 23, 2005 with Registration No. CS2005-16093 for the primary purpose of engaging in the development of real property, construction and maintenance of recreational and vacation facilities/properties such as resorts, hotels, clubs and spa, and in furtherance of this purpose, it will offer timeshares to the public its existing properties as well as those it will develop in the future. **On its initial registration, 510 timeshares were approved to offer to public.**

On May 21, 2009, the Registrant filed for an amended registration statement with the Securities and Exchange Commission for 1) increase in the offer price of timeshare; 2) introduction of a new occupancy availment scheme and 3) increase in volume of timeshares to be **issued to make a total of 3,358** timeshares without in any way affecting the cost as registered nor availability of the units sold under the original registration. All of the units covering the timeshares are located at the Astoria Plaza located at No. 15 J. Escriva Drive, Ortigas Center, Pasig City. The Securities and Exchange Commission issued a certificate of permit to offer timeshares on December 07, 2009.

As of March 31, 2013, the remaining number of timeshare units is 1,236 units which will become 2,472 units if converted to alternate availment scheme.

The registered principal office address of the Company is located at Astoria Plaza, No. 15 J. Escriva Drive, Ortigas, Pasig City, Philippines. As for Astoria Palawan, it does business at Km 62 North National Highway, Brgy. San Rafael, Puerto Princesa City, Palawan where its resort is located.

Business of the Issuer

The Astoria Vacation and Leisure Club, Incorporated (AVLCI) has been in the timeshare business for the past seven (7) years and has effectively acquitted itself as a Gold Crown timeshare concern. Its Astoria Plaza in Ortigas project has been awarded the Gold Crowne category for eight (8) consecutive years including this year already by the Resort Condominiums International, the Exchange Provider because of its state of the art facilities and the quality of services rendered.

AVLCI is a developer of timeshares. It has sold timeshares and will continue to do so. It does not propose to engage in any other business under this registration and it has no subsidiaries.

AVLCI is the first timeshare Gold Crown city hotel in the Metropolis. The hotels around the Metropolis may be considered competitors for accommodating houseguests but Astoria Plaza holds the principal distinction of being the only venue offering timeshare accommodations to the public in the area. Existing hotels in the area are Richmond Hotel, Discovery Suites, Galleria Suites and the Linden Hotel Malayan Plaza, Holiday Inn Galleria, Manila, which are of comparable size as Astoria and are located at the Ortigas Commercial Complex within a kilometer of each other. A little further off but still a ten-minute drive barring city traffic is the Richville Hotel in Mandaluyong. All of the enumerated hotels virtually carry the same facilities as Astoria, give or take a few, varying only in the quality of service and amenities offered.

The Astoria Plaza where the AVLCI initially operated can give existing hotels a run for their money in terms of quality of facilities and amenities, quality of service, location and ambiance. It is classified by the RCI as a Gold Crown hotel because of the quality of its facilities and services offered. All of its suites are equipped with state-of-the-art modern conveniences such as German technology electronic door lock system, audio video entry phones, cable television, dvd/vcd/cd player and electronic safety deposit box and the latest in modern conveniences and technology.

At present, the Astoria Plaza is patronized by corporate clients for seminars and meetings at its twelve (12) function rooms and two (2) boardrooms. The biggest of the function rooms can accommodate two hundred fifty (250) heads. Audio-visual equipment and other state-of-the-art facilities are available. Parking is most convenient at its six (6) multi-level basement parking complete with valet service.

Competition

As discussed in page 15, as one of the risks in investing, the operation of the Company is expected to encounter competition from existing hotels and lodging concerns conducting similar business in the area. Competition will come generally in the competitiveness of the offer price, the amenities offered and the accessibility of the venue.

The Company shall put up a highly competitive resort that can compete with the likes of its distant neighbors like the famous Dos Palmas and El Nido, which may not really pose as a threat because of the distance from Palawan.

But at the moment, there is no known direct competitor to the Registrant in the area in terms of selling timeshare membership.

Compliance with Environmental laws

The Astoria Palawan is in compliance with laws and regulations governing the offer and sale of timeshares. In addition it has complied with all the permits and licenses necessary for the development of units thereat as a Resort Club. It was awarded its environmental Compliance Certificate on 29 October 2012 with the strict directive to “protect and mitigate the project’s adverse impacts on community health, welfare and the environment”.

The ECC covers the total land area of 30,043.0 sq.m covered by TCT Nos. 185163, 183477, 183297, 183296, 183478 and 183473.

Compliance with environmental laws is budgeted at PhP 120,000.00 per annum.

Negative Disclosures

1. The Company does not foresee any existing or probable government regulations, which may in any way hinder its operations.
2. Raw materials for the construction of facilities are sourced from local yards and hardware stores. It is not dependent on any one supplier neither is the Company dependent upon a few customers since it tries to reach to as many customers as possible. There are no existing supply contracts.
3. The company has not been the subject of any material reclassification, merger, consolidation or purchase nor have assets been subject of any sale of a significant or insignificant amount conducted not in the ordinary course of business.
4. There has been no sale of unregistered securities, including those securities constituting an exempt transaction.
5. It has no record of employees who are subject of Collective Bargaining Agreement (CBA) because of its able management as yet. The Company has as yet no Supplemental Benefits or Incentive Arrangements with its employees.
6. 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 with a restaurant where supplies for food are obtained from available food sources in the area. The business of the registrant is not dependent upon any single or a few customers, the loss of any or more of which would have a material adverse effect on the registrants.
7. 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.
8. There are no patents, copyrights, concessions and royalty agreements held.
9. The company does not foresee any adverse effect on the operations of government regulations either existing or probable, on this business.
10. The company has no subsidiaries over which major risks and management thereof need be discussed.
11. The company does not transact with a promoter, neither does any person have any indirect material interest in any transaction involving the present registration.
12. There are no loans or material obligations, which would affect the company's liquidity position.
13. 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 in such amounts as the Board of Directors shall determine. No dividends shall be declared which will impair the capital of the corporation. In this instance however there shall be no declaration of dividends among the purchasers of timeshares because the issue is non-proprietary.

14. There are 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.

DESCRIPTION OF THE PROPERTY

Location and Accessibility

The Astoria Palawan is located at San Rafael, Puerto Princesa right on the shores of Honda Bay. It is a short 45 to 60 minute drive north of the Puerto Princesa International Airport.

When fully operational, the venue shall have the following accommodations:

- | | | |
|---------------|-----------------------------------|-------------|
| ➤ Four (4) | 2-bedroom units measuring | 92 sqm each |
| ➤ Three (3) | 1-bedroom premier units measuring | 54 sqm each |
| ➤ Five (5) | 1-Bedroom regular units measuring | 50 sqm each |
| ➤ Eight (8) | Studio premier units measuring | 38 sqm each |
| ➤ Twenty (20) | Studio regular units measuring | 30 sqm each |

Amenities in the Units

Two-bedroom Units

- Master's bedroom: vanity with hairdryer, closet, LCD TV, luggage rack
- Toilet & Bath: shower, lavatory, water closet, separate bathtub
- Living room and kitchenette: dining set for 4, refrigerator, sink, range, microwave oven, kitchenware, coffeemaker and blender
- 2nd bedroom: toilet and bath, shower, tub, lavatory, water closet

One-bedroom Premier Units

- Bedroom: vanity with hairdryer, closet, LCD TV, luggage rack,
- Toilet & Bath: shower, lavatory, water closet, separate bathtub
- Living Room and Kitchenette: dining set for 4, refrigerator, sink, range, microwave oven, kitchenware, coffeemaker and blender

One-bedroom Regular Units

- Bedroom: vanity with hairdryer, closet, LCD TV, luggage rack,
- Toilet & Bath: shower, lavatory, water closet, separate bathtub
- Living Room and Kitchenette: dining set for 4, refrigerator, sink, range, microwave oven, kitchenware, coffeemaker and blender

Studio Premier

- Bedroom: vanity with hairdryer, closet, LCD TV and luggage rack
- Kitchenette: ref, sink, microwave, kitchenware, coffeemaker, blender, dining set up
- Toilet and Bath: shower, bathtub, lavatory and water closet

Studio Regular

- Bedroom: vanity with hairdryer, closet, LCD TV, luggage rack
- Partial kitchen: ref, microwave, blender, coffeemaker
- Toilet & Bath: shower, lavatory and water closet.

Other Areas to Be Developed:

- Reception area with recreational facilities - 220 sqm
- Restaurant with veranda dining area - 266 sqm
- Indoor dining area - 266 sqm
- Veranda dining area - 300 sqm
- Sunken deck - 25 m x 3.00 m
 - Includes Lap pool = 25 m x 6.00 m
 - Jacuzzi and kiddie pool = 7 m x 4.50 m
- Outdoor Grill and Bar - 300 sqm
- Water Park - 2,500 sqm
 - Entrance Pavilion - 100 sqm
 - Locker and shower area - 200 sqm
 - Waiting Area - Six (6) cabanas 20 sqm each
 - Restaurant - 300 sqm
 - Outdoor shower

Back of House Facilities - 600 sqm

- Bakery/Pastry - 55 sqm
- Conference Room - 66 sqm
- Administration Office with Board Room - 44 sqm
- Engineering and workshop - 135 sqm
- Laundry/Housekeeping - 100 sqm
- Cafeteria - 50 sqm
- Cold Storage facility - 40 sqm
- General Storage - 70 sqm
- Pantry and receiving area - 40 sqm

Staff House and Dormitory facility - 375 sqm

CCTV Cameras for security

Fencing

Street lighting

Guardhouse

Genset 100% backup power

The resort is situated in a 2-hectare mango orchard. The architecture of Astoria Palawan is best described as rustic/modern. It shall use sustainable building materials combined with raw concrete to be utilized for structural components, as well as for the interior partition walls. The materials are creatively combined with stones found in the area. This shall make for the natural feeling that will allow the guests to experience the charming, unspoiled lifestyle of people of the region.

An eco-friendly resort, Astoria Palawan paid special attention to the area's natural features and geography. A retention pond was built to contain the overflow from a nearby creek, as a result the pond shall be used both for recreation fishing as well as a source of water for irrigating the mango trees.

A Modern Sewage Treatment plant (STP) was also designed to recycle water waste.

Construction Accomplishments

While the ground breaking was done last August 28, 2012, the formal construction of the Phase I of the Project was started after the release of the ECC on October 29, 2012. The Phase I of construction covers 40 hotel units, swimming pool, water features, reception and recreation area, restaurant and kitchen, back of house and dormitory, guard house, power house and the sewage treatment plant with a total Project Cost amounting to Php 302,400,000.00. While Phase II of construction consist 32 hotel units with a total Project Cost amounting to Php 80,600,000.00.

As of May 31, 2013, the following areas as described below show its percentage of completion:

AREAS	% of Completion
1. Site Development	- 51.17%
2. Guard house	- 72.14%
3. Powerhouse	- 80.00%
4. Reception area	- 42.71%
5. Restaurant and kitchen	- 38.82%
6. Back of the house/dormitory	- 69.84%
7. 40 hotel units	- 58.72%
8. Swimming pool	- 70.00%

All of the above shall be completely turned over to the registrant by October 2013.

Lease Contracts

Millennium Properties leased a titled property from Mr. and Mrs. Jeffrey Ng to form part of the development of the resort. All in all there were three Lease Contracts that have been signed for this project. Of the six (6) lots covered by the development, five TCTs are actually owned by Millennium Properties, while the other one, TCT 185163, is owned by Jeffrey Ng, the Registrant's Owner. One Contract of Lease is for 33 years usage while the 2nd Contract is for 13 years.

A security deposit equivalent to one-year rental is required upon signing of the Contract. All charges for water, cable, light and power used within the leased premises shall be for the account of the lessee to include repairs and maintenance of the units during the term of the lease.

The lease has a revolver clause. There was no provision for purchase option and no escalation clause in the contract of lease.

Schedule of lease payments are as follows:

Description of the Lease (no. of units)	Effective Date	Year of Coverage	No of months Covered	Rate per month	Total
Lease contract for 15 units	July 2013	13 yrs	2,340	10,000	23,400,000
Lease contract for 25 units	July 2013	33 yrs	9,900	10,000	99,000,000
TOTAL					122,400,000

Schedule of future minimum lease payments are as follows:

	Minimum Lease Payments	Present Value of Min. Lease Payments
not later than 1 year		
2013	2,000,000	2,000,000
later than 1 year and not later than 5 years		
2014	4,800,000	4,800,000
2015	4,800,000	4,800,000
2016	4,800,000	4,800,000
2017	4,800,000	4,800,000
2018	4,800,000	4,800,000
later than 5 years		
2019 to 2025 (4,800,000 per annum)	33,600,000	33,600,000
2026	4,050,000	4,050,000
2027 to 2045 (3,000,000 per annum)	57,000,000	57,000,000
2046	1,750,000	1,750,000
Total minimum lease payments	122,400,000	122,400,000
Present value of future minimum lease payments	122,400,000	122,400,000

The schedule of lease payments for the lease between Millennium Properties and Mr. and Mrs. Jeffrey Ng are not shown in the above schedule as this will not affect the cash position of the Registrant.

For the previous registrations, the Registrant entered into a lease agreement with Millennium Properties and Brokerage Inc., both represented by its president Jeffrey T. Ng for the use of 37 units of Astoria Plaza with a contract price of P370,000 per month equal to P 4,440,000 per annum. The lease will run for 30 years commencing from 2006 for the first 10 units, 2007 for the additional 20 units and 2008 for the 7 units with provision for an annual revolver.

The Schedule of Lease payments are as follows:

Description of the Lease (no. of units)	Effective Date	Year of Coverage	No of months Remaining (as of Mar 2013)	Rate per month	Total
Lease contract for 10 units	Sep 2005	30 yrs	2,700	10,000	27,000,000
Lease contract for 20 units	Oct 2007	30 yrs	5,900	10,000	59,000,000
Lease contract for 07 units	Aug 2008	30 yrs	2,135	10,000	21,350,000
TOTAL					107,350,000

Rent expense pertaining to this leased property amounted to P965,659 for the quarter ended March 31, 2013 and was included as part of cost of sales under Statement of Income and Retained Earnings.

Future minimum lease payments of the company for the above agreements are as follows:

	Minimum Lease Payments	Present Value of Min. Lease Payments
Within one year	4,440,000	4,440,000
After one year but not more than five years	22,200,000	22,200,000
Later than five years	80,710,000	80,710,000
Total minimum lease payments	107,350,000	107,350,000
Present value of future minimum lease payments	107,350,000	107,350,000

Total lease operating cost charged to profit and loss from this operating lease agreement amounted to P965,659 and 977,561 for each first quarters of 2013 and 2012.

LEGAL PROCEEDINGS

The directors and officers of AVLCI, its affiliates or its properties have not been involved in any legal proceedings nor any bankruptcy, receivership or similar proceedings. They are not party to any pending criminal proceeding, or have they been convicted by final judgment in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offences or subject to any other order or judgment or decree, not substantially 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. They have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized market or self-regulatory organization, to have violated a securities or commodities law, or regulation.

There are no pending legal proceedings to which the Company or its affiliates or subsidiaries is a party or of which their property is the subject.

The directors or principal officers or any of its subsidiaries or affiliates have not been involved in any legal proceedings in any court or agency that are material to an evaluation of their ability or integrity within the last five (5) years.

MARKET INFORMATION

The securities shall be sold over the counter and not be traded thru the Exchange. As there is no organized public trading market for timeshares, high and low bid information about the timeshares is not readily available.

This is a non-proprietary offer hence no dividends shall be paid.

Security Holders as of May 31, 2013

Title of Class	Name	Citizenship	No. of Shares Held	Percent of Class
Common	Jeffrey Ng	Filipino	15,999	19.999%
Common	Vivian Ann S. Ng	Filipino	15,999	19.999%
Common	Olivia T. Ng	Filipino	16,000	20.000%
Common	Michael T. Ng	Filipino	16,000	20.000%
Common	Oliver T. Ng	Filipino	16,000	20.000%
Common	Ted Bonpin	Filipino	1	0.001%
Common	Teodoro Sta Ana	Filipino	1	0.001%
TOTAL			80,000	100.00%

MANAGEMENT'S DISCUSSION AND ANALYSIS

On its initial registration, The Company's 510 timeshare units were approved for offer to the public. In 2009, when the company filed a subsequent application for registration, the offer prices of the remaining 302 timeshare units were increased. Additional timeshare units were registered, and a new mode of availment, the alternate availment scheme was introduced. Track record of registration is as follows:

Particulars	Approved on	Type of Unit	Timeshares Registered	Offer Price per Unit	Units Sold	Balance
Initial Registration	Dec 16, 2005	1BR	204	516,450		
		2BR	306	723,030		
			<u>510</u>			208
Subsequent Registration:	Dec 07, 2009					
Old units		1BR	53	723,030		
<i>*increase in offer price of previously registered units</i>		2BR	249	1,012,242		
			<u>302</u>			
New units		Deluxe	357	300,000		
		1BR	765	723,030		
		2BR	255	1,012,242		
			<u>1,377</u>			
Total Units			<u><u>1,679</u></u>		<u><u>443</u></u>	<u><u>1,236</u></u>

Under the alternate availment scheme, the balance of 1,236 timeshare units will be 2,472 units.

Financial Soundness Indicators

Indicators	Dec 31, 2012	Dec 31, 2011	Mar 31, 2013	Mar 31, 2012
Current/Liquidity Ratio	2.91	2.87	2.56	2.82
Solvency Ratio	0.77	1.03	0.25	0.21
Debt to Equity Ratio	1.41	1.78	1.13	1.61
Other Relevant Ratio:				
Profitability Ratio				
-Gross Profit Margin	0.23	0.25	0.26	0.21
-Return on Asset	0.07	0.04	0.04	0.01
-Return on Equity	0.17	0.10	0.08	0.02

Key Performance Indicators

Particulars	1st qtr 2013 unaudited	2012 Audited	2011 Audited
Revenue	10,318,155	36,720,791	29,107,920
Cost of sales and administrative expenses	9,923,859	35,977,216	28,718,448
Income (loss) before income tax expense	395,492	755,521	404,313
Net Income	276,493	532,449	281,208
Revenue Growth			
1st qtr 2013 rev to 1st qtr 2012 rev	40.17%	-	-
2012 revenue to 2011 revenue	-	26.15%	-
2011 revenue to 2010 revenue	-	-	-0.48%
Cost & Operating Exp. to Revenue	96.18%	97.98%	98.66%
Gross Operating Margin:			
Gross Profit to Total Revenue	3.83%	2.06%	1.39%
Net Profit Margin:			
Net Income (Loss) to Total Revenue	2.68%	1.45%	0.97%

1st Quarter 2013 vs. 1st Quarter 2013

Results of Operations

The Company posted 10.32M or an equivalent to a 40.17% increase in revenue for this quarter as compared to 7.36M for the same quarter of last year. Included in the revenue from the sale of timeshares were 300,000 and 180,000 for the first quarters of 2013 and 2012, respectively, as the revenue from processing and administration fees from cancelled membership. Total operating expenses amounted to Php 9.92M for this quarter while Php 7.30M for the same quarter of last year, which resulted in an operating income of Php 394 thousand for this quarter while a 56.9 thousand operating income was posted for the same quarter last year. Interest income of both periods were generated by cash in bank and cash equivalents for the period.

Financial Condition

As shown in the attached financial statements, the total assets as of March 31, 2013 has decreased to Php 7.48M from Php 7.77M record as of December 31, 2012. Correspondingly, its total liabilities as of March 31, 2013 went down to Php 3.98M from Php 4.54M as of December 31, 2012. The decrease in both assets and liabilities were attributed by a decrease in due to affiliate account and settlement of other current liabilities.

There were no known trends, demands, commitments, events or uncertainties that might have a material impact on the Company's liquidity for the period. There were no events that might trigger direct of contingent financial obligation that is material to the Company including any default or acceleration of an obligation for the period. There were no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company with unconsolidated entities or other persons for the period. There were no material commitments for capital expenditures for the period. There were no known trends, events or uncertainties that might lead to an unexpected material impact on revenue from continuing operations. There were no significant elements of income or loss that did not arise from the continuing operations. There were no seasonal aspects that might have material effect on the financial condition or results of operations.

2012 vs. 2011

Results of Operations

The Company has posted Php7.60M or equivalent to 26.15% increase in revenue for 2012 as compared to Php29.1M revenue for 2011. There were a slight decrease in the cost and administrative expenses also compared to last year, which gave a net effect of 0.48% increase in the net profit margin this year as compared to last year.

Financial Condition

As shown in the attached financial statements, the total assets as of December 31, 2012 has increased to Php 7.77M as compared to Php 7.49M as of December 31, 2011. There was a significant increase in the trade receivables account this year because of cash purchaser members who have availed of the 15-day cash price promo, which subsequently collected after the balance sheet date. Correspondingly, its total liabilities as of December 31, 2012 went down to Php 4.54M as compared to Php 4.79M as of December 31, 2011. The decreases in both assets and liabilities were attributed by the decrease in due to affiliate account. A partial settlement was made after Balance Sheet date.

There were no known trends, demands, commitments, events or uncertainties that might have a material impact on the Company's liquidity for the period. There were no events that might trigger direct of contingent financial obligation that is material to the Company including any default or acceleration of an obligation for the period. There were no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company with unconsolidated entities or other persons for the period. There were no material commitments for capital expenditures for the period. There were no known trends, events or uncertainties that might lead to an unexpected material impact on revenue from continuing operations. There were no significant elements of income or loss that did not arise from the continuing operations. There were no seasonal aspects that might have material effect on the financial condition or results of operations.

2011 vs. 2010

Results of Operations

Though there was a slight decrease in the revenue caused by the global financial crisis, the decrease in revenue was able to compensate by the decrease in cost and expenses, which are more controllable than revenue generation.

Financial Condition

As shown in the attached financial statements, the total assets as of December 31, 2011 has decreased to Php 7.48M as compared to Php 12.21M as of December 31, 2010. Correspondingly, its total liabilities as of December 31, 2011 went down to Php 4.79M as compared to Php 9.80M as of December 31, 2010. The decrease in both assets and liabilities were attributed by the decrease in due to affiliate account, a partial settlement was made after Balance Sheet date.

There were no known trends, demands, commitments, events or uncertainties that might have a material impact on the Company's liquidity for the period. There were no events that might trigger direct or contingent financial obligation that is material to the Company including any default or acceleration of an obligation for the period. There were no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company with unconsolidated entities or other persons for the period. There were no material commitments for capital expenditures for the period. There were no known trends, events or uncertainties that might lead to an unexpected material impact on revenue from continuing operations. There were no significant elements of income or loss that did not arise from the continuing operations. There were no seasonal aspects that might have material effect on the financial condition or results of operations.

2010 and 2009

Results of Operations

The Company posted 29.25M, a 30.95% increase in revenue for this year as compared to last year. Total Operating Expenses amounted to Php 28.97M for this year while Php 22.08M last year, which resulted in an operating income of Php 278 Thousand while a 250 Thousand operating income was posted last year. Interest income of both period were generated by cash in bank and cash equivalents for the period.

Financial Condition

As shown in the attached financial statements, the total assets as of December 31, 2010 has increased to Php 12.21M as compared to Php 9.12M as of December 31, 2009. Correspondingly, its total liabilities as of December 31, 2010 went up to Php 9.79M as compared to Php 6.91M as of December 31, 2009. The increase in both assets and liabilities were attributed by increase in due to affiliate account, which was paid after the end of this quarter.

In spite of the current situation of the market caused by the global financial crisis, the management continues to exert more marketing efforts to sell its product. This reason is evidently seen in the communication and the advertising accounts. While waiting for future projects of its affiliates to be completed, the management has entered into tie ups with other hotels and resorts to accommodate availments of the Gift Certificates given to prospective members who attended in the product presentations.

There were no known trends, demands, commitments, events or uncertainties that might have a material impact on the Company's liquidity for the period. There were no events that might trigger direct or contingent financial obligation that is material to the Company including any default or acceleration of an obligation for the period. There were no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company with unconsolidated entities or other persons for the period. There were no material commitments for capital expenditures for the period. There were no known trends, events or uncertainties that might lead to an unexpected material impact on revenue from continuing operations. There were no significant elements of income or loss that did not arise from the continuing operations. There were no seasonal aspects that might have material effect on the financial condition or results of operations.

Employees

The Company sees no need to augment its present manning of seventy-one (71) marketing staff composed of permanent and contractual personnel employed by the Company on a salary/commission basis for its daily operations at the Club Astoria timeshare venue. Except the twelve (12) key employees composed of sales and marketing officers, the rest of the staff is considered on a project basis thus no employee-employer relationship will be established. Under its Marketing Plan, it shall hire an additional 10 employees for every marketing venue opened.

On the other hand, the Company will hire sixteen (16) administrative staff who will handle the resort operations as well as its booking accommodations. Any other administrative staff requirement will be backed up by the existing manning.

Financial Position of the Developer

The Board of Directors of Millennium Properties and Brokerage, Inc. in its regular meeting on March 02, 2013 has approved that all its accumulated retained earnings will be appropriated to existing construction project of the Corporation, particularly the Astoria Palawan Project.

The total project cost amounting to Php 302,400,000.00 for the Phase I of the project, which covers the 40 hotel units, swimming pool, water features, reception and recreation area, restaurant and kitchen, back of house and dormitory, guard house, power house and the sewage treatment plant. While the Phase II of the project covers the additional 32 hotel units to be constructed later on with an estimated project cost amounting to Php 80,600,000.00.

It is in this regard that the Developer has taken out A Committed Credit Line (CCL) in the amount of Pesos Seven Hundred Fifty Million (PhP750,000,000.00) with Security Bank Corporation to finance its Palawan Project.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANT ON ACCOUNTING AND FINANCIAL DISCLOSURES

For the last two (2) fiscal years, there have been no changes in and disagreements with the accountant on matters of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

External Audit Fees

Aggregate fees billed for each of the last two fiscal years for professional services rendered by the external auditor for:

	2012	2011
Audit and audit related fees		
Audit of Annual Financial Statements	50,000	50,000
Other assurance and related services performed by the auditor	None	None
Others	None	None
Tax Fees	None	None
All Other Fees	None	None

The Audit Committee pre-approves all audit and non-audit services as these are proposed or endorsed by the Board of Directors before the services as performed.

Members of the Audit Committee

The following persons are the current members of the audit committee as appointed and approved during the latest board of directors meeting:

TED T. BONPIN	-	Chairman
VIVIAN ANN S. NG	-	Member
OLIVER T. NG	-	Member
DAISY G. BARAL	-	Member

AUDIT COMMITTEE CHARTER

This Audit Committee Charter (the "Charter") is promulgated by the Audit Committee (the "Committee") of ASTORIA VACATION AND LEISURE CLUB, INCORPORATED (the "Corporation") to provide for the purpose, membership, structure, operations, duties and responsibilities of the Committee, including the procedures which shall guide the conduct of its functions.

I. Purpose

Pursuant to the Manual of Corporate Governance of the Corporation (the "Manual"), the Audit Committee shall have oversight responsibilities for the financial reporting process, internal control, risk management, internal audit, external audit, management and legal, tax and regulatory compliance.

II. Structure

A. Membership.

The Committee shall be composed of at least three (3) members of the Board of Directors (the "Board"). The Chairman of the Committee shall be an independent director

B. Qualifications.

Each member of the Committee shall have the qualifications and none of the disqualifications of a director provided under the Manual. The members of the Committee shall preferably have accounting and finance backgrounds. At least one member shall be an independent director and another shall have audit experience. The members of the Committee must have a good understanding of the Corporation's business and the industry in which it operates.

C. Appointment and Removal.

The Chairman and members of the Committee shall be appointed, and may be removed from office, by a majority vote of the members of the Board constituting a quorum. In case of vacancy in the membership of the Committee, the Board shall appoint a new member from among the directors. In case of vacancy in the position of Chairman, the Board shall appoint a new Chairman from the members of the Committee.

D. Committee Secretary.

The Corporate Secretary or in his absence, the Assistant Corporate Secretary, shall act as the Committee Secretary who shall prepare the minutes of the meetings and keep the records of the Committee.

III. Operation

A. Meetings.

The Committee shall meet at such times and places as it considers appropriate, preferably at least four (4) times a year. The Chairman of the Committee, any Committee member, or the Corporate Secretary of the Corporation, may call a meeting of the Committee. The Chair shall preside in all meetings. In the absence of the Chair, any member shall preside. Meetings may be held, and the members can participate in meetings of the Committee, through teleconference, video conference or other similar means.

B. Quorum.

Attendance of at least two (2) Committee members shall constitute a quorum for all meetings.

C. Voting.

The affirmative vote of a majority of such quorum shall be required to authorize any corporate action.

D. Notices

A notice of each meeting of the Committee specifying the place, date, time, and agenda and matters to be discussed during the meeting shall be given to each member of the Committee personally, in writing or orally, or sent to him by mail, facsimile, electronic mail or other similar means at least two (2) days prior to the date of the meeting. Each member shall give the Committee Secretary his address, facsimile number and electronic mail address for the service of notices of meetings. A member may waive notice of any meeting of the Committee and may consent to shorter notice of any meeting. Any Committee meeting called by shorter notice shall be deemed to have been duly convened if it is so agreed by the members present in the meeting at which there is a quorum.

E. Minutes and Record

The Committee Secretary shall maintain minutes or other records of the Committee meetings and activities.

IV. Duties and Responsibilities

The duties and responsibilities of the Committee are as follows:

(a) Financial Reporting

1. Review all interim and annual financial statements before submission to the Board and prior to disclosure to the public, with particular focus on the following:

- i) compliance with pertinent Philippine and internationally accepted accounting standards, internal financial management, as well as tax, legal and other regulatory requirements;
- ii) changes in accounting policies and practices;
- iii) major financial reporting issues;
- iv) reasonableness of estimates, assumptions, and judgments;
- v) significant adjustments resulting from the audit;
- vi) going concern assumptions;
- vii) review of unusual or complex transactions including significant related party transactions;
- viii) identification and correction of material errors, indications of fraud, and sufficiency of risk controls;
- ix) clarification of significant legal risks, contingencies and issues;
- x) disclosure of material information, subsequent events and related party transactions;

xi) review and approval of management representation letter in recognition of management's responsibility over the financial statements.

2. Review with management and external auditors the results of the audit, including any difficulties encountered and other issues warranting the attention of the Committee, and resolve any disagreements between management and the external auditors regarding financial reporting.

(b) Risk Management/Management

1. Discuss with management and the Internal Audit Group, the Corporation's risk management policies and procedures particularly those relating to risk identification, assessment and management.³
2. Regularly evaluate the adequacy and effectiveness of management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation and the Corporation's risk management policies and procedures.
3. To promote risk awareness in the organization, discuss with management the steps taken to monitor and control the Corporation's exposures and risks, which may include the preparation and implementation of a Business Continuity Plan.
4. Coordinate, monitor, and facilitate compliance with legal, tax and regulatory requirements by the Corporation.
5. Evaluate compliance with the relevant company issuances governing management conduct.

(c) Internal Control

1. Review the adequacy and effectiveness of the Corporation's financial and internal controls and systems including financial reporting control and technology security, based on the state of internal controls provided by management and evaluation of internal control by the Internal Audit Group, and discuss recommendations for improving the same such as the inclusion of fraud prevention measures.
2. Review and make recommendations relating to any communication or report by regulatory agencies relating to the financial statements of the Corporation and ensure that management undertakes corrective actions, where necessary, in a timely manner.
3. Review, conduct investigations and make recommendations relating to any communication or report relating to any findings or major investigations on internal controls or financial reporting matters or fraud in connection therewith including issues raised by the external auditor and management's response thereto.

(d) Internal Audit

1. Review with management and the head of the Internal Audit Group the qualifications of an internal auditor and the organizational structure of the internal audit function, to ensure adequacy of resources and independence of the Internal Audit Group.

2. Review and approve the annual audit plans prepared by the Internal Audit Group and major changes to the plans, if any, including the scope and extent of audit work to ensure adequacy of resources and independence of the Internal Audit Group and compliance with International Standards on the Professional Practice of Internal Auditing. The scope of the internal audit examination should cover the evaluation of adequacy and effectiveness of controls on governance, operations, information systems, protection of assets and compliance with applicable laws, rules and regulations.

3. Review with management significant findings and recommendations of the Internal Audit Group and management's response thereto including an action plan for implementation to correct weaknesses and any difficulties encountered by the auditors in the course of their audit.

4. Require the Internal Audit Group to submit an annual report to the Committee and management of its activities and performance relative to the audit plan approved by the Committee.

(e) External Audit

1. Review and evaluate the professional qualifications, performance and independence of the external auditor and the lead partner.

2. Review and approve with the external auditor, before the audit commences, the nature and scope of the audit plans, including scope, audit resources and expenses, and reporting obligations.

3. Review and approve the fees, remuneration and terms of engagement of the external auditor for audit and non-audit services.

4. Evaluate and approve non-audit work by external auditor, including the fees payable therefor, and evaluate any non-audit work undertaken to ensure that the same does not conflict with audit functions.

5. Review the reports or communications of the external auditors as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the management and other material issues that affect the audit and financial reporting, and ensure that management or the Board will promptly address the issues raised.

6. Ensure that the external auditor complies with auditing standards.

7. Ensure that the external auditor or the lead, engagement, or handling partner having primary responsibility for the audit or review of the Corporation is changed every five (5) years or earlier.

V. Authority and Resources

A. Authority.

The Committee shall have the authority to conduct or order the investigation into any matter within the scope of its responsibilities. The Committee may invite members of management, organization staff, the Internal Audit Group or external auditor to attend and provide pertinent information or data.

B. Resources.

The Committee shall have full access to management, personnel and records in the performance of its duties and responsibilities. The Committee may also engage external legal counsel or independent professional advisors if it considers necessary in the performance of its functions. The Committee shall be provided by the Corporation with sufficient resources to enable it to fully discharge its duties and functions hereunder including resources for the training and education of its members and staff.

VI. Reporting

The Chairman of the Committee, or in his absence, the Chairman of the meeting, shall report to the Board on the decisions and recommendations made by the Committee following each meeting. The Committee shall prepare an annual report of its activities to the Board and such other reports and certifications that the Board may require from the Committee such as those on critical compliance issues.

VII. Performance Assessment

- A. The Committee shall assess its effectiveness to ensure that its performance meets and complies with best practices. In any such assessment, the Committee may be guided by a self-assessment worksheet which shall be in substantial compliance with the Guidelines for the Assessment of the Performance of Audit Committees of Companies Listed on the Exchange issued by the Securities and Exchange Commission.
- B. The assessment shall be accomplished on an annual basis or in such short intervals as may be required by the Board. The results of the assessment shall be validated by the Compliance Officer and submitted to the Board.
- C. The Committee shall establish a feedback mechanism to receive comments from management, the Internal Audit Group, general counsel, the external auditor, and any person, to facilitate dialogue within the organization about possible ways to improve its performance.

Members of the Audit Committee

The following persons are the current members of the audit committee as appointed and approved during the latest board of directors meeting:

TED T. BONPIN	-	Chairman
VIVIAN ANN S. NG	-	Member
OLIVER T. NG	-	Member
DAISY G. BARAL	-	Member

Significant Employee

The Company will not hire employees whose employment can be considered significant. The sales will be supervised by a team of marketing staff ably supervised by an executive of the Company.

Family Relationship

The Astoria Palawan and the Astoria Vacation and Leisure Club, Incorporated are owned by the same Ng family. Except for the Chief Accountant, Independent Directors and the Comptroller, all of above-mentioned Directors and Officers are sons of the patriarch of the Ng family, Ambassador John K.C. Ng and Ms. Olivia Ng.

Inter-company Affiliations

Astoria Plaza

This is Cathay Land's and Mr. Ng's most successful real estate project in the 1990's. This is the 35-storey serviced residential suites in the Ortigas Business District. Plans are afoot for the building of the Astoria Plaza Sta. Rosa, in the South Forbes Golf City, to cater to the business and conference needs of multinational and local companies in Metro Sta Rosa.

All the affiliated companies have interlocking Board of Directors, as they are all corporations of the Ng Family. Together, these thirteen (13) companies employ thousands of Filipinos, generate significant revenues and contribute to a substantial degree to the country's fiscal program through corporate and employee taxation and all other taxes that necessarily accompany an economic activity.

Astoria Boracay, Inc. (formerly Boracay Gold Crowne Club, Inc.)

Boracay Island is located at the northernmost tip of Panay Island, Aklan Province, in the Visayas. It is approximately 300 kilometers south of Manila and is accessible by air from Manila or Cebu through the two principal airports in Caticlan and Kalibo. From Caticlan Airport, Boracay is just around 30-40 minutes away. There are tricycles available outside Caticlan Airport, which take passengers to the jetty port in three minutes. From the jetty port, a 15-20 minutes boat ride takes one to the resorts.

Kalibo Airport on the other hand is about 45 minutes away from the island. The flight from Manila to Kalibo takes about 30 minutes. From Kalibo Airport, there are several AC buses and vans for the Caticlan Jetty Port, which provide for the boat ride to the resorts.

The luxurious Astoria Boracay is a 34-Room beachfront property located at -Station 1, the premier site at Boracay Island. It is conveniently located near the shopping area, popular restaurants and bars. Astoria Boracay has been renovated and officially reopened in January 2010.

Astoria Bohol

The breathtaking Island of Bohol is one of the country's premier tourist destinations. It is the tenth largest island of the Philippines, and lies in the middle of the Visayas. It is surrounded by other islands on all sides, and is thus shielded from the typhoons that often occur in the region, as well as from the heaviest rains.

Situated in Brgy. Taguihon, Baclayon, Astoria Bohol is just a 10-minute drive from Tagbilaran Airport. Astoria Bohol has eight spacious and luxurious rooms all with a panoramic view of the majestic Mindanao Sea. The rooms have either a king-size bed, two queen size beds or two double beds. It is likewise equipped with individual climate control air-conditioning, large LCD television, DVD players, cable TV, refrigerator, in-room safe, telephone, internet (WiFi) access.

Currently, the resort is exclusive for AVLCI members' use only until the second phase of construction has been completed by late 2014 to early months of 2015.

Millennium Properties and Brokerage, Inc.

This corporation was established by the Ng Group of Companies in November 1988 mainly to service the rental of real estate concerns of its affiliates. It was capitalized at PhP10,000,000.00, with PhP2,500,000.00 subscribed. The majority stockholders are the members of the Ng family namely John K.C. Ng, Olivia T. Ng, and Jeffrey Ng.

On April 14, 2011, on the third amendment to its Articles of Incorporation, the corporate name was amended to read Millennium Properties and Brokerage Incorporated, doing Business under the Name and style of Astoria Plaza, Astoria Plaza Suites, Astoria Subic, Astoria Bohol, Astoria South Forbes, Astoria Palawan, Astoria Culinary & Hospitality Institute and Astoria Hotels and Resorts. Its primary purpose expanded its activities "to purchase, lease, donate or otherwise own, use, improve, develop, construct, subdivide, sell, mortgage, exchange, lease, develop, manage and hold for investment or otherwise, real estate of all kinds including hotels, resorts and restaurants, whether improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances."

This corporation is the developer of the Astoria Palawan.

Cathay Land, Inc.

Cathay Land Inc., the owner of Astoria Plaza is a wholly owned subsidiary of Cathay Metal Corporation, one of the country's biggest steel manufacturers. This is a real estate development firm incorporated on 10 November 1994 with an authorized capital stock of five hundred million pesos (PhP500,000,000.00) The company is engaged in both horizontal and vertical construction projects and has an inventory of over five hundred hectares of prime residential land in the CALABARZON area as well as in Metro Manila. It is currently developing a high-end subdivision cum golf course, the 250-hectare South Forbes Golf City which can be accessed via the Sta Rosa-Balibago-Tagaytay Road. Its selling point is the fact that an investment in the real property automatically entitles one to a free golf membership at its world-class, 18-hole South Forbes Golf Club. The subdivision features a soft Mediterranean ambiance.

Affiliates of the company are some of the country's top players in various industries. The Securities and Exchange Commission has listed both Cathay Metal Corporation and Cathay Pacific Steel among the top 500 Corporations in the country based on their annual revenues culled from their Audited Financial Statements, while five (5) other affiliates, Amalgamated Iron Works, the Eurotiles, Federal Hardware, Millennium Properties and Brokerage, Inc. and PC Express are doing well in their own fields of competition.

Ceramic Plaza, Inc.

This is the country's top ceramic tile retail chain, with stores in Metro Manila and nearby provinces. It aggressively promotes its sister company's products, Eurotiles in its stores. This ceramic retail business was set-up a few years after Eurotiles entered the market.

It is currently the leading retailer of home finishing materials and accessories. From its humble beginnings as a small floor tiles retail store in Karuhatan, Valenzuela, it has expanded to 12 equally successful branches. In tandem with its sister company The Federal Hardware, it boasts to be one of the few that offer a wide array of choices at affordable prices topped with personalized service. With the wide range of products available, its target market is not limited to a class of purchasers but all can find their items at affordable prices.

Federal Hardware and Builder's Center, Inc.

The Ng family ventured into the hardware and building materials industry by establishing the Federal Hardware. This operates the country's biggest lifestyle center, the Federal Design Expo, in Makati City, which offers clients furniture and interior design solutions aside from the hardware component. The avant garde designs are made possible by Mr. Ng's frequent business trips abroad. In the hope of bringing, the best and most modern furniture and lifestyle solutions to the Philippines, he introduced MFI, Europe's premier kitchen to the local market a couple of years back.

E-Global Structure Technologies Corp. (formerly PC Express)

Another addition to the multi-faceted business interests of the Ng Family is the PC Express Plus, which was established in 1999 to provide the latest and best-of-breed equipment in the computer industry. It started as a small shop in Gilmore, New Manila, and has grown to be one of the most admired computer retailers/suppliers in the country. It carries the widest range of products suited for all market segments.

Apart from offering computer parts, it is prepared to provide after-sales services and consulting to buyers. The thrust is to deliver fast, effective and practical services. It has opened several shops catering to specific markets, such as PC Express Warehouse, PCX Surplus Depot and the most recent addition, the PC Express Plus. It is looking to open more branches, a long-term plan that should put the company at the forefront of the distributorship industry.

The company maintains partnerships as trusted dealers of esteemed computer parts manufacturers, such as Intel, Microsoft, HP, Epson, Canon, and NTC, thus achieving customer satisfaction for making available the right computer products to meet their needs.

Cathay Metal Corporation (CAMECO)

This company was registered by Mr. Ng's father, Ambassador John K.C. Ng in February 1967 to principally engage in the manufacture and marketing of iron, steel and other kinds of metal products such as, but not limited to steel building materials, angle bars, hot rolled steel plates/sheets, cold rolled steel plates/sheets, galvanized steel sheets, I-beams, channel angel bars, flat bars, square bars, round deformed bars and seamless pipes in compliance with the strict requirements of real estate developers, engineers and architects. The company's manufacturing facilities are composed of steel smelting

electric arc furnace and a continuous Casting Machine (CCM) with rated capacities of 80,000 MT/yr; 5 sets of rolling mills with a combined capacity of 200,000 MT; two sets of steel coils shearing and straightening machine for flat steel servicing and a cold-forming machine for light gage section. This is ably managed by:

John K.C. Ng	Chairman
Jeffrey T. Ng	President
Jose C. Balonan	Executive VP
Pedro Balonan	Vice president
Huang Han Ching	Treasurer
Elena D. Tan	Corporate Secretary

The company's main office is on the 23rd floor of the Galleria Suites, Ortigas Avenue while its manufacturing plant site is in Bo. San Bartolome, Novaliches, Quezon City.

Cathay Pacific Steel Corporation (CAPASCO)

The Company is one of the biggest steel bar manufacturers in the Philippines. CAPASCO is able to produce steel from its own Billet Steel Making Plant. It utilizes an electric arc furnace, a continuous casting machine, pressure swing absorption oxygen plant and a dust collector plant during the initial billet steel-making stage. To produce the steel bars for construction the company relies on modern, fully- automated rolling mills.

CAPASCO subscribes to the highest standards for its steel products. To meet its quality requirements, the Quality Assurance Department is one of the few in-house testing laboratories in the Philippines equipped with state-of-the-art facilities. CAPASCO uses a Vacuum Emission Spectrometer for chemical analysis of all steel samples taken during the production of steel billets. Final steel products are further tested by a universal testing machine for yield strength, tensile strength, elongation and bending qualities to assure conformity to physical specifications.

Amalgamated Iron Works

This makes the third steel manufacturing company of Ambassador K.C. Ng, which like all the other six (6) listed herein are family ventures.

Cathay Farms Development, Inc.

This corporation was registered with the Securities Commission on August 1986 to primarily engage in piggery. Like all its other affiliates, its main office is located at the 23rd Floor of the Galleria Corporate Center, Ortigas while its farm site is in Bo. Tanauan, Tanza Cavite. Chairman of the Board is Mr. John K.C. Ng, President is Jeffrey Ng and VP General Manager is Michael T. Ng.

Eurotiles Industrial Corporation

Eurotiles was incorporated in June 1989 to diversify the family's business interests to the manufacture of ceramic tiles. The company's plant operations started in April 1992. Now, after more than a decade from its incorporation, Eurotiles ranks among the top three ceramic tile manufacturers in the country. It is an ISO 9001 certified company for the manufacture of superior ceramic tiles under its trade name Eurotiles. The company has a 6.7 hectares plant facility at Silang Cavite, 39 kilometers south of Manila. The plant is capable of producing from 10,000 to 14,000 square meters of ceramic tiles daily. Delivery vehicles include ten-wheeler trucks, six-wheeler trucks and four-wheeler canters. The plant service bay also accommodates 4-ton trailers as well as 10-foot and 20-foot container vans for deliveries outside Luzon. Nationwide distribution of Eurotiles is coursed through major construction stores, each with network of dealers in key cities and selected growth areas in Luzon, Visayas and Mindanao. In Metro Manila, the flagship retailers are its sister companies, Ceramic Plaza and Federal Hardware.

CORPORATE GOVERNANCE

1. The evaluation system established by the company to measure or determine the level of compliance of the Board of Directors and the top-level management with its Manual of Corporate Governance are as follows:
 - The Company adopted the Corporate Governance Self-Rating System Form.
 - Management conducts monthly review of compliance with the action plan and annual budget previously established and reports to the Board during its regular monthly meetings. Said report contains the status report of the action plan and the comparative financial statements reflecting variances against the budget. The statements also contain monthly highlights of the financial report and explanations on the variances of the actual figures as compared with the budget.
 - The audit committee meets regularly to review existing internal controls and closely monitor personnel involved.
 - A Membership Handbook and Personnel Manual containing policies, procedures and implementing guidelines on dealing with members and employees are in place.
 - The compliance officer regularly submits a management report to the Board during its monthly meetings.
2. Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance.
 - Members of the various committees are appointed by the Board of Directors.
 - Copies of the Manual were made available to all parties concerned.
 - An orientation program was conducted to operationalize the Manual. Thorough explanation of the contents of the manual was made to ensure compliance with the same.
 - Close monitoring by the Committees concerned is done regularly.
3. There are no deviations noted from the Company's Manual on Corporate Governance.
4. The Board has no plans yet to improve the previously adopted manual.

SUMMARY OF MATERIAL CONTRACTS

Committed credit line

A Committed Credit Line (CCL) was taken out by Millennium Properties and Brokerage Inc. in the amount of Pesos Seven Hundred Fifty Million (PhP750,000,000.00) with Security Bank Corporation which will expire on 31 December 2013. The credit facility was opened in compliance with the requirement of the Board of Investments (BOI) Incentives for resort expansion and for registration with the Securities and Exchange Commission (SEC) for the development of timeshares at Astoria Palawan.

Trust Agreement

In April 23, 2013, a Trust Agreement was executed between the Company and Security Bank Corporation, where, the Company, in its desire to maintain the property in good condition at all times, has set aside and delivered to a trust account the maintenance levies (fund) collected from members, in which, shall become operational as soon as the Commission approves the Company's application to sell Timeshares.

The use of such fund will be limited only for the upkeep and maintenance of the hotel rooms/resort facilities under the Vacation Program. No person shall have any right or authority to decrease the principal of the fund, except as stipulated in the trust agreement. No amendment or modification of the trust may be made which will in any way impair or reduce the principal of the fund or divert the income to any other purpose.

Lease Contract – Millennium Properties and Brokerage Inc. and Astoria Vacation and Leisure Club, Incorporated

A total of Three Lease Contracts were signed by the parties to this development:

1. Two of the Contracts are between Millennium Properties, the owner/developer and Astoria Vacation and Leisure Club, Incorporated over five (5) TCTs to wit:

TCT	Area Sqm
183477	2,936
183297	4,323
183296	9,761
183478	4,833
183473	4,858

Lease shall be used exclusively for Holiday Ownership/timesharing business of the Lessee, the Astoria Palawan. The term is for at least thirty three (33) years for the Twenty Five (25) units, while the other one is for at least thirteen (13) years for the Fifteen (15) units. Both leases will start by July 2013, the expected date of delivery of the leased units. The lease has a revolver clause.

The monthly rental for both leases shall be PhP10,000.00 or Pesos Three Million (PhP 3,000,000) per annum for the lease of the 25 units while Pesos One Million Eight Hundred Thousand (PhP 1,800,000) per annum for the lease of the 15 units. A security deposit equivalent to one-year rental is required upon signing of the Contract. All charges for water, cable, light and power used within the leased premises shall be for the account of the lessee to include repairs and maintenance of the units during the term of the lease.

2. The other Contract is between the Resort owner, Mr. Jeffrey Ng, and Millennium Properties, the developer, for the lease of TCT No. 185163 with an area of 3,332 sqm. over which, part of the resort will be constructed. The property is owned by spouses Jeffrey and Vivian Ng. The lease shall be for fifty years to start on 01 December 2012. The monthly rental is PhP1.00 per sqm. or a total of Pesos Thirty-Nine Thousand Nine Hundred Eighty Four (PhP 39,984.00) per annum. One year advance rental is to be paid upon signing of the Contract. Taxes on the real estate and any other taxes related to the lease shall be to the account of the lessee.

Memorandum of Agreement – Astoria Boracay, Inc (formerly Boracay Gold Crowne Club, Inc.) and Astoria Vacation and Leisure Club, Incorporated

The memorandum of agreement was entered between Astoria Boracay Inc. (formerly Boracay Gold Crowne Club, Inc.) and AVLCI, both represented by its President Jeffrey T. Ng, which requires the former by the latter to provide quality standard accommodations and related services to guests and members of AVLCI.

The agreement contains the following covenants:

1. SCOPE OF AGREEMENT

- ROOM RATES

BGC shall extend the lowest room rates to AVLCI based on its rate matrix. Periodic review of the rates shall be done for mutual benefits of both parties.

- MAXIMUM OCCUPANCY

Since room configurations of BGC and AVLCI rooms are not the same, BGC shall provide extra bed or extra room as the need arises or whatever occupancy does AVLCI requires.

- BOOKING PROCEDURE

All bookings by AVLCI shall be covered by Official Room Reservation Request bearing complete Reservation Details such as Guest Name/s, Tour Dates, Requested Room Type, No. of Adult/s and Child/ren and Special Request. All bookings shall be coursed through directly to the Reservations Department of BGC at its Manila Sales Office who in turn must give confirmation bearing confirmation number and the name of the Resort representative who confirmed the booking.

All bookings are subject to room availability. All bookings further, will be for the account of AVLCI. Payment will be made by AVLCI within 90 days.

2. CHANGE OF RESORT OWNERSHIP/MANAGEMENT

The foregoing agreement shall be honored by any and all of the subsequent resort management groups and/or owners who may take over the Management of the Resort known as ASTORIA BORACAY should events bring about such changes before the expiration of this agreement.

3. VALIDITY

The term of this agreement is for thirty (30) years commencing from September 2009 to August 2039. This agreement may renew or pre-terminate upon mutual agreement of both parties. Renewal or pre-termination though, requires at least two (2) months prior notification before the execution of such renewal or pre-termination.

Memorandum of Agreement – Millennium Properties and Brokerage, Inc. (Astoria Bohol) and Astoria Vacation and Leisure Club, Incorporated

The memorandum of agreement was entered between Millennium Properties and Brokerage, Inc. (Astoria Bohol) and the AVLCI, both represented by its President Jeffrey T. Ng, which requires the former by the latter to provide quality standard accommodations and related services to guests and members of AVLCI.

The agreement contains the following covenants:

1. SCOPE OF AGREEMENT

➤ ROOM RATES

ASTORIA BOHOL shall extend the lowest room rates to AVLCI based on its rate matrix. Periodic review of the rates shall be done for mutual benefits of both parties.

➤ MAXIMUM OCCUPANCY

Since room configurations of **ASTORIA BOHOL** and **AVLCI** rooms are not the same, **ASTORIA BOHOL** shall provide extra bed or extra room as the need arises or whatever occupancy does AVLCI requires.

➤ BOOKING PROCEDURE

All bookings by **AVLCI** shall be covered by Official Room Reservation Request bearing complete Reservation Details such as Guest Name/s, Tour Dates, Requested Room Type, No. of Adult/s and Child/ren and Special Request. All bookings shall be coursed through directly to the Reservations Department of **ASTORIA BOHOL** at its Manila Sales Office who in turn must give confirmation bearing confirmation number and the name of the Resort representative who confirmed the booking.

All bookings are subject to room availability. All bookings further, will be for the account of **AVLCI**. Payment will be made by **AVLCI** within 90 days.

2. CHANGE OF RESORT OWNERSHIP/MANAGEMENT

The foregoing agreement shall be honored by any and all of the subsequent resort management groups and/or owners who may take over the Management of the Resort known as **ASTORIA BOHOL** should events bring about such changes before the expiration of this agreement.

3. VALIDITY

The term of this agreement is for thirty (30) years commencing from January 2013 to December 2032. This agreement may renew or pre-terminate upon mutual agreement of both parties. Renewal or pre-termination though, requires at least two (2) months prior notification before the execution of such renewal or pre-termination.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code signed on behalf of the Registrant by the undersigned, thereunto duly authorized, in the City of _____ on _____.

ASTORIA VACATION AND LEISURE CLUB, INCORPORATED
----ISSUER----

By:

JEFFREY T. NG
Chief Executive Officer

OLIVIA T. NG
Chief Financial Officer

VIVIAN ANN S. NG
Chief Operations Officer

OLIVER T. NG
Director

RAYMOND M. ILAGAN
Financial Comptroller

FEDERICO BALMATER
Chief Accounting Officer

MICHAEL T. NG
Corporate Secretary

INDEPENDENT DIRECTORS:

TEODORO STA ANA

TED BONPIN

SUBSCRIBED AND SWORN to before me this ___th day of _____ 2013 at _____ City, affiant exhibiting to me his CTC No. _____ issued on _____, 2013 at _____ City.

Doc. No. _____
Page No. _____
Book No. _____
Series of 2013

NOTARY PUBLIC