

MABUHAY
HOLDINGS CORPORATION

April 15, 2019

THE PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

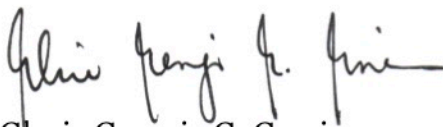
Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Subject: **MABUHAY HOLDINGS CORPORATION**
Annual Report ended December 31, 2018

Gentlemen:

We submit herewith a copy of the Annual Report for the year ended December 31, 2018 (SEC Form 17-A) of MABUHAY HOLDINGS CORPORATION with the attached Audited Consolidated Financial Statements for the years ended December 31, 2018 and 2017.

Very truly yours,



Gloria Georgia G. Garcia
Treasurer and Corporate Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the Year Ended **DECEMBER 31, 2018**
2. SEC Identification Number: **150014**
3. BIR Tax Identification Number: **050-000-473-206**
4. Exact Name of Registrant: **MABUHAY HOLDINGS CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: **HO**
7. Address of Principal Office: **35/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223**
8. Registrant's Telephone Number, Including Area Code: **(632) 750-2000**
9. Former Name, former address, former fiscal year, if changed from last report: **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA

Common stock **1,200,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.

Yes [] No []

Philippine Stock Exchange **Common shares of stock**

12. Check whether the Registrant:

- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a), thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months

Yes [] No []

- (b) has been subject to such filing requirements for the past 90 days

Yes [] No []

13. Aggregate market value of the voting stock held by non-affiliates of the registrant

Total number of subscribed shares	1,200,000,000
Less: Shares held by affiliates	769,821,804
Shares held by non-affiliates	430,178,196
Market price as of December 31, 2018	0.59
Aggregate market value of voting stock held by non-affiliates	<u>P253,805,136</u>

Year 2018 Form 17-A

Table of Contents

	<u>Page No.</u>	
PART I	BUSINESS AND GENERAL INFORMATION	
Item 1	Business	1
Item 2	Properties	2
Item 3	Legal Proceedings	3
Item 4	Submission of Matters to a Vote of Security Holders	3
PART II	OPERATIONAL AND FINANCIAL INFORMATION	
Item 5	Market for Registrant's Common Equity and Related Stockholder Matters	3
Item 6	Management's Discussion and Analysis or Plan of Operation	4
Item 7	Financial Statements	9
Item 8	Information on Independent Accountant and Other Related Matters	9
PART III	CONTROL AND COMPENSATION INFORMATION	
Item 9	Directors, Executive Officers and Control Persons	10
Item 10	Executive Compensation	12
Item 11	Security Ownership of Certain Beneficial Owners and Management	13
Item 12	Certain Relationships and Related Transactions	14
PART IV	CORPORATE GOVERNANCE	
Item 13	Compliance with Leading Practice on Corporate Governance	14
PART V	EXHIBITS AND SCHEDULES	
Item 14	Exhibits and Report on SEC Form 17 – C	14
	a. Exhibits	14
	b. Report on SEC Form 17 – C	14
SIGNATURES		15
INDEX TO EXHIBITS		17
STATEMENTS OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS		19

PART I - BUSINESS AND GENERAL INFORMATION

Item 1 – Business

Mabuhay Holdings Corporation (hereafter referred to as “Registrant” or “MHC” or “Company”) was incorporated on April 06, 1988. It is a holding company principally engaged in the acquisition and disposition of investments in securities, stocks, real and personal properties, and of any kind of properties and of investments in other entities.

It was incorporated with an authorized capital of 200 million shares at a par value of P1 per share. It was listed at both the Makati and Manila stock exchanges in 1990. The Articles of Incorporation were amended in 1994 to increase authorized capital to 4 billion shares at P1 par value per share. Currently, capital stock issued and subscribed total 1.2 billion shares, of which P975.5 million have been paid out of the P1.2 billion subscriptions. MHC shares are now traded in the Philippine Stock Exchange.

The registrant currently holds office at 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223. Its last annual stockholders’ meeting was on July 10, 2018.

As of December 31, 2018, the Registrant holds directly or indirectly substantial investments in several other corporations. Three of these are wholly owned subsidiaries while the rest are investees in which MHC has sizeable claims and interests.

For the past five years, operating activities of the Group have been kept to the minimum except for its large associate, IRC Properties, Inc. (IRC). In 2018, the Group, through its wholly-owned subsidiary T&M Holdings, Inc., sold part of its shareholdings in IRC. The sale reduced the Group's ownership interest in IRC from 29.62% to 11.4% as of December 31, 2018.

A. SUBSIDIARIES AND AFFILIATES

Major investees of the Registrant are the following:

1. **T & M Holdings, Inc. (100%-owned by the Registrant)**

T & M Holdings, Inc. (T&MHI) which was registered with the Commission on November 10, 1995, is a holding company engaged in investments in real properties, marketable securities and stocks of other companies, domestic or foreign.

2. **M & M Holdings Corporation (M&MHC) (100%-owned by the Registrant)**

Like T&MHI, M & M Holdings Corporation which was registered with the SEC on April 21, 1995, is a holding company engaged in the business of acquiring and disposing of interests in real and personal properties of any kind or description, marketable securities and shares of stocks. Currently, M&MHC has no substantial property except for some advances to its parent company, and a minimal amount of cash.

3. **Tagaytay Properties and Holdings Corporation (TPHC) (26.04%-owned by the Registrant)**

A real estate company established and registered with the SEC on April 13, 1998, TPHC owns a high potential and strategically-located land in Tagaytay City. This property was supposed to be developed into a mixed commercial and residential subdivision but such plans were postponed indefinitely as a result of changes in the zoning laws of the city.

4. **The Taal Company, Inc. (TTCI) (29.97%-owned by the Registrant)**

The Taal Company, incorporated on August 29, 1990, is a real estate company with property holdings in several parts of the Batangas province.

5. **The Angeles Corporation (TAC) (38.46%-owned by the Registrant)**

The Angeles Corporation is an investment company incorporated on October 14, 1994. Most of its assets are invested in shares of the Prosperity Taxi Cab Corporation (PTCC), which the Company sold to a third party in 2009.

6. **Mindanao Appreciation Corporation (MAC) (28.5%-owned by the Registrant)**

Mindanao Appreciation Corporation is an investment Company, incorporated and registered with the SEC on November 21, 1991. Most of its assets are invested in shares of Mabuhay Holdings Corporation and The Taal Company, Inc.

B. FOREIGN SALES. Not applicable to the Registrant.

C. COMPETITIVE BUSINESS CONDITION/COMPETITIVE POSITION IN THE INDUSTRY. The competitiveness of the Registrant, given the nature of its business, is defined by the diversity of its interests. Most of the Registrant's business interests are concentrated in the real estate property business. Tagaytay Properties & Holdings Corporation and The Taal Co., Inc., each hold an inventory of real properties in strategic locations like Tagaytay City, Batangas and Cavite. The aggregate landholdings of the Registrant's investees easily run to 17.8 hectares, many of which are in prime locations.

D. DEPENDENCE ON A FEW CUSTOMERS. This disclosure is currently not applicable to the Registrant's business and concerns.

E. TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES. The Registrant's transactions with its subsidiaries and affiliates mainly consist of the granting of advances to /from them. The Registrant exercises control and management over some of its investees.

F. NEED FOR GOVERNMENTAL APPROVAL OF PRODUCTS AND SERVICES. Aside from being regulated by the PSE and the SEC, the Registrant generally is not subject to any other specific government regulation.

G. EFFECT OF EXISTING OR PROBABLE GOVERNMENTAL REGULATIONS TO THE BUSINESS. This disclosure is currently not applicable to the Registrant's business and concerns.

H. ESTIMATE OF AMOUNT SPENT FOR RESEARCH AND DEVELOPMENT ACTIVITIES. This disclosure is currently not applicable to the Registrant's business and concerns.

I. COSTS AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS. This disclosure is currently not applicable to the Registrant's business and concerns.

J. TOTAL NUMBER OF EMPLOYEES AND NUMBER OF FULL TIME EMPLOYEES. As of December 31, 2018, The Registrant has 7 employees, all rendering administrative services. Of the Company's 7 employees, 5 render support services: 2 for accounting/bookkeeping work and 3 doing office services functions while the other 2 belong to the management and administration of the Company. There is no Collective Bargaining Agreement between the employees and the Registrant and there had been no strikes or threats of strike for the past five (5) years. Aside from the statutory benefits prescribed by the labor code, the Registrant's employees enjoy Company-sponsored health insurance.

Item 2 – Properties

All the following properties owned by MHC and its affiliates/subsidiaries are free from lien:

Name of Property	Owner	Area	Location
Landicho Property	The Taal Co., Inc.	39,781 sq. m	Lumang Lipa, M.Kahoy, Batangas
Zara Property	The Taal Co., Inc.	14,022 sq. m	Don Juan, Cuenca, Batangas
Raňola Property	The Taal Co., Inc.	778 sq. m	Tanza, Cavite
Tagaytay Property	Tagaytay Properties and Holdings Corp.	98,671 sq. m	Rotonda, Tagaytay City
Carandang	Tagaytay Properties and Holdings Corp.	6,533 sq. m	Ambolong, Batangas
Atienza	Tagaytay Properties and Holdings Corp.	3,036 sq. m	Ambolong, Batangas
Landicho	Tagaytay Properties and Holdings Corp.	15,605 sq. m	M. Kahoy, Batangas
35F Rufino Pacific Tower (office condo unit)	Mabuhay Holdings Corp.	886 sq. m*	Ayala Avenue, Makati City

- * Half of the 35th Floor is leased out to Smart Communications, Inc. and the other half is being used as The Registrant's office together with IRC Properties, Inc. Rental revenues from this property amounted to P7.5M in 2018 as reflected in the Consolidated Statements of Total Comprehensive Income, Notes 7 and 16 of the Consolidated Financial Statements as of and for the year ended December 31, 2018, which are an integral part of this report.

The Registrant has plans to acquire property in the next 12 months or beyond as discussed in Note 1 to the Consolidated Financial Statements.

Item 3 – Legal Proceedings

The Registrant and its consolidated subsidiaries/affiliates are parties to various legal actions or proceedings. However, in the opinion of management, the ultimate liability, if any, resulting from these actions or proceedings, will not have a material effect on the Registrant's consolidated financial position except for the case mentioned in Note 19 of the Audited Financial Statements for which adequate provisions have been made.

Item 4 – Submission of Matters to a Vote of Security Holders

There were no substantial matters submitted to a vote of the security holders during the 4th quarter of the year 2018. The last meeting of the Registrant's stockholders was the annual stockholders' meeting, which was held on July 10, 2018. In that meeting, the stockholders elected the directors for 2019. Messrs. Steven G. Virata and Rodrigo B. Supeña were the Registrant's independent directors in compliance with SEC Memorandum Circular No. 16, Series of 2002, Section 38 of the Securities Regulation Code and its implementing rules and regulations.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5 – Market for the Registrant's Common Equity and Related Stockholder Matters

The Registrant's shares of common stock are being traded at the Philippine Stock Exchange. Of the authorized capital stock of four billion shares, 1.2 billion have been subscribed. As of December 31, 2018, MHC has received P194.7 million as deposits for future stock subscription. Although these deposits were intended for capital subscription, they were presented as liability in the Statement of Financial Position for the purpose of complying with SEC rule 68-D.

Dividends. No dividend declarations were made during the two recent fiscal years of the Registrant. Aside from the accumulated deficit sustained by the company, there is no restriction that limits the ability to pay dividends on common equity.

Stock Prices. The shares of MHC traded along the following bands during 2018 and 2017:

	2018		2017	
	High	Low	High	Low
First Quarter	0.84	0.30	0.56	0.40
Second Quarter	0.77	0.55	0.455	0.395
Third Quarter	0.81	0.56	0.495	0.40
Fourth Quarter	0.64	0.50	0.41	0.26

The listed price of MHC shares as of end of first quarter of 2019 is P0.55, with a high of P0.64 and a low of P0.55.

Recent Sales of Unregistered Securities. No securities of the Registrant have been sold within the past three years which have not been registered under the Securities Regulation Code. Neither is there any claim for exemption from registration made by the Company.

Stockholders.

Stockholders of record as at December 31, 2018 total one hundred ninety eight (198) in number, broken down as follows:

Citizen	No. of Shares	Percentage	No. of Holders
Filipino	833,491,840	69.46%	186
American	908,000	0.08%	7
Chinese	105,050	0.00%	2
Other Alien	365,495,110	30.46%	3
	1,200,000,000	100.00%	198

Top 20 Stockholders as at December 31, 2018 all holding Common Stock:

Rank	Name of Stockholder	No. of Shares Held	Percentage
1	PCD Nominee Corporation (NF)	365,495,010	30.46%
2	Prokey Investments Ltd.	351,289,763	29.27%
3	PCD Nominee Corporation (F)	320,009,988	26.67%
4	Guoco Securities (Phils.), Inc.	123,192,131	10.27%
5	Papa Securities Corporation	13,550,000	1.13%
6	Mindanao Appreciation Corp.	10,183,000	0.85%
7	Avesco Marketing	1,600,000	0.13%
8	Four Treasures Development Corp.	1,200,000	0.10%
9	Yan, Lucio W.	1,000,000	0.08%
10	Prosperity Taxi Cab Corp.	1,000,000	0.08%
11	International Polymer Corp.	900,000	0.08%
12	Century Sports Phils., Inc.	812,000	0.07%
13	Zosa, Rolando M.	800,000	0.07%
14	Uy, Samson	700,000	0.06%
15	Mendoza, Alberto &/or Jeanie Mendoza	650,000	0.05%
16	Sy, Siliman	546,000	0.05%
17	Sickling II, Herbert William	500,000	0.04%
18	South China Holdings	432,000	0.04%
19	Dyhongpo, Carlos	330,000	0.03%
20	Dyhongpo, Vivian	300,000	0.03%

There had been no sales of unregistered or exempt securities of the Registrant, or issuance of its securities constituting exempt transaction.

Item 6 – Management’s Discussion and Analysis or Plan of Operation

The following discussion should be read in conjunction with the Consolidated Financial Statements of the Registrant that are incorporated to this Report by reference. Such Consolidated Financial Statements have been prepared in accordance with Philippine Financial Reporting Standards.

For the past years, the Group’s main focus is to support the projects of its then main associate, Philippine Infradev Holdings, Inc. (formerly IRC Properties Incorporated) (IRC). IRC needs assistance to secure funding of its residential development projects in its Binangonan Property. These projects of IRC are expected to generate

significant amount of sustainable income stream and operating cash flows to the Group. After the Group sold a significant part of its shareholdings in IRC in 2018, through its wholly-owned subsidiary T&M Holdings, Inc., which reduced its ownership interest in IRC from 29.62% to 11.4% as of December 31, 2018, it plans to concentrate on the acquisition of properties for rental purposes as its main short-term operating activity. Management believes that this move is strategic and will be beneficial for the Group in the long run. The Group intends to become more liquid and flexible while pursuing bigger urban real property development projects with its foreign business partners. Among the Group's short-term and long-term plans are: (a) to acquire developed properties with the intention of converting the properties for lease operations; (b) to acquire properties for development and to convert these properties for leases; (c) to continue to retain its substantial remaining shares of stocks in IRC for appreciation and eventual cash flows from future dividend declarations; (d) to continue to retain its investment properties for appreciation, and to plan for possible development of the prime properties; and (e) to invest in stocks listed in the Philippine Stock Exchange on a broader scope.

The planned acquisitions of rental yielding properties are expected to generate sustained cash inflows to support the Group's operations. Moreover, the remaining investments in IRC is expected to generate substantial dividend yield in the future upon completion of IRC's real estate projects in Binangonan and the construction and operation of the Makati Subway System under the Public-Private Partnership Program of Makati City Government.

The above plans will contribute to improve the results of operation of the Group in the following years.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Management, under the direction of the Board of Directors of the Group is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group's financial performance due to the unpredictability of financial markets.

The Company's equity position is in compliance with the minimum statutory requirements applicable to public companies. Given the very limited operating activities undertaken by the Group, it does not require intensive capitalization. The Group's main objective is to ensure it has adequate capital moving forward to pursue its land disposal plans at optimum gain.

The Group does not anticipate heavy requirement for working capital in 2019.

2018

Results of Financial Operations

A comparative review of the Registrant's financial operations for the period ended **December 31, 2018** vis-à-vis the same period last year showed the following:

Total revenues increased by P71.9M or 319.7% mainly due to gains realized on the change in fair value of investment properties. Total operating expenses likewise increased by P508.9M or 3119.9% mainly due to the loss on disposal of investment in an associate Philippine Infradev Holdings, Inc. (formerly IRC Properties Incorporated) (IRC) as result of the sale of part of shareholdings in IRC. Said sale decreased the Group's ownership interest to 11.4% as of December 31, 2018, hence, investments are reclassified to Financial Assets at Fair Value through Profit or Loss and accumulated share in net earnings of IRC recognized in the books are derecognized. A net finance costs of P6.66M resulted in 2018 due to increase in finance cost by P11.02M, increase in net foreign exchange loss of P6.6M and decrease in finance income by P4.4M.

Share in net earnings of IRC registered at P7.5M for the 1st quarter of 2018 prior to the disposal of part of shareholdings and P6.8M in 2017.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Explanation to Accounts with Material Variance (December 2018 vs. December 2017)

Cash

Increase of P187.7M or 3339.4% mainly due to the proceeds from the sale of IRC shares.

Financial assets at fair value through profit or loss

Increase of P390.95M or 19722.8% due to the reclassification of investments in shares of stocks of IRC from investment in an associate to financial assets at fair value through profit or loss as a result of the sale of part of the Group's shareholdings in IRC which decreased its ownership interest and the change in fair value of securities.

Notes and other receivables

Decrease of P84.22M or 42.96% mainly due to collection of notes and interest receivable from IRC.

Investment in an associate

The 100% decrease in the account is discussed in details in Note 5 of the Notes to the Consolidated Financial Statements.

Property and equipment, net

Increase of P1.003M or 75.4% mainly due to acquisition offset by charges for depreciation.

Investment properties

Increase of P64.66M or 19.3% due to gain on fair value as a result of the appraisal of the properties.

Borrowings

Decrease of P121.4M or 89.9% due to payment of loans.

Accounts payable and other current liabilities

Decrease of P23.04M or 54.47% largely due to repayment of accrued interest on borrowings.

Deferred income tax liabilities, net

Increase of P27.8M or 31.15% due mainly to the tax effect of unrealized gain on fair value change in investment property.

Key Performance and Financial Soundness Indicators**Definition of Ratios**

Net Profit Ratio	-	$\frac{\text{Consolidated Net Income (Loss)}}{\text{Total Revenues}}$
Return on Assets	-	$\frac{\text{Net Income}}{\text{Total Assets}}$
Return on Equity	-	$\frac{\text{Net Income}}{\text{Total Stockholders' Equity}}$
Current Ratio	-	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Acid Test	-	$\frac{\text{Cash on hand and in banks} + \text{Financial Assets at Fair Value} + \text{Notes and other receivables}}{\text{Current Liabilities}}$
Debt to Equity	-	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt to Assets	-	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset to Equity	-	$\frac{\text{Total Assets}}{\text{Total Equity}}$
Interest Coverage	-	$\frac{\text{Net Income Before Tax and Interest Expense}}{\text{Interest Expense}}$
Earnings (Loss) Per Share	-	$\frac{\text{Net Income Attributable to Equity Holders of Parent Co.}}{\text{Average number of Outstanding Common Shares}}$

(%)	<u>Dec. 31, 2018*</u>	<u>Dec. 31, 2017*</u>	<u>Dec. 31, 2016*</u>
Net Profit Ratio	-4.8774	1.0471	0.8483
Return on Assets	-0.4173	0.0140	0.0342
Return on equity	-0.6594	0.0203	0.0528
Current ratio	2.4637	0.4695	0.4676
Acid test	2.4543	0.4634	0.4644
Debt to equity	0.5803	0.4563	0.4530
Debt to assets	0.3672	0.3133	0.3118
Asset to equity	1.5803	1.4563	1.4530
Interest coverage	-19.5018	3.8545	3.2038
Earnings (loss) per share	-0.4873	0.0200	0.0481

*Audited

2017

Results of Financial Operations

A comparative review of the Registrant's financial operations for the period ended **December 31, 2017** vis-à-vis the same period last year showed the following:

Total revenues decreased by P46.295M or 67.3% mainly due to net effect of recovery of impairment losses on investment in an associate and reversal of allowance for impairment loss recognized in 2016 vs. none in 2017. Total operating expenses decreased by P0.846M or 4.9% mainly due to decrease in salaries and employee benefits and professional fees. A net finance income of P15.411M resulted in 2017 due to decrease in finance cost by P18.7M, a net foreign exchange gain of P0.89M with a decrease in finance income by P3.25M.

Share in net earnings of IRC Properties, an associate decreased by P14.19M or 67.6% due to a lower gain on fair value change in investment property of the associate.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Explanation to Accounts with Material Variance (December 2017 vs. December 2016)

Cash

Decrease of P24.4M or 81.3% mainly due to additional loans extended to IRC and acquisition of additional IRC shares.

Financial assets at fair value through profit or loss

Decrease of P0.286M or 12.6% due to decline in fair value of securities.

Notes and other receivables

Increase of P28.8M or 17.2% mainly due to additional notes and accrued interest receivable from IRC Properties, Inc.

Prepayments

Increase of P1.28M or 92.6% mainly due to prepaid income taxes.

Investment in an associate

Please refer to Note 5 of the Notes to the Consolidated Financial Statements.

Property and equipment, net

Decrease of P1.35M or 50.4% mainly due to depreciation.

Investment properties

Increase of P15.15M or 4.7% due to gain on fair value.

Other non-current assets

Decrease of P.060M or 40.8% mainly due to decrease in fair value of available for sale securities of Mindanao Appreciation Corporation, a subsidiary.

Borrowings

Decrease of P0.573M or 0.42% due to foreign exchange translation difference.

Accounts payable and other current liabilities

Increase of P7.7M or 21.1% largely due to accrued interest on borrowings.

Deferred income tax liabilities, net

Increase of P4.79M or 5.7% due to unrealized gain on fair value change in investment property.

2016**Results of Financial Operations**

A comparative review of the Registrant's financial operations for the period ended **December 31, 2016** vis-à-vis the same period last year showed the following:

Total revenues decreased by P13.97M or 16.9% mainly due to net effect of recovery of impairment losses on investment in an associate and decrease in Gain on fair value change in investment property. Total operating expenses increased by P0.6M or 3.7% mainly due to increase in salaries and employee benefits and professional fees. Finance cost decreased by P14.7M or 34% due to decrease in loan balances after repayment.

Share in net earnings of IRC Properties, an associate increased by P11.5M or 120.5% due to a higher gain on fair value change in investment property of the associate.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Explanation to Accounts with Material Variance (December 2016 vs. December 2015)**Cash**

Increase of P18.4M or 157.05% mainly due to collection of receivables.

Financial assets at fair value through profit or loss

Increase of P0.36M or 19.1% due to increase in fair value of securities.

Notes and other receivables

Decrease of P217.6M or 56.5% mainly due to receipt of payments of IRC Properties, Inc.

Prepayments

Decrease of P0.183M or 11.7% mainly due to application of prepaid taxes to income tax payable.

Investment in an associate

Please refer to Note 5 of the Notes to the Consolidated Financial Statements.

Property and equipment, net

Decrease of P1.6M or 37.5% mainly due to depreciation.

Investment properties

Increase of P17.6M or 5.8% due to gain on fair value.

Other non-current assets

Decrease of P.60M or 80.4% mainly due to adjustment on deferred tax asset of Mindanao Appreciation Corporation, a subsidiary.

Borrowings

Decrease of P160.98M or 54.3% due to payments made.

Accounts payable and other current liabilities

Decrease of P15.5M or 29.6% largely due to payment of accrued interest and foreign exchange adjustments.

Deferred income tax liabilities, net

Increase of P3.1M or 3.8% due to unrealized gain on fair value change in investment property.

Item 7 – Financial Statements

The audited consolidated financial statements of the Registrant as of and for the year ended December 31, 2018, as listed in the accompanying Index to Financial Statements and Supplementary Schedules, are filed as part of this Form 17-A.

The financial statements attached to the report include the audited statements of financial position, statements of total comprehensive income, statements of changes in equity, statements of cash flows and the notes to the financial statements. Such reports form part of our attachment to our SEC Annual Report Form 17-A.

Item 8 – Independent Public Accountants**(a) Audit and Audit-Related Fees**

There were no disagreements with the auditors with respect to accounting principles and practices, financial disclosures, or auditing scope or procedures.

As in previous years, representatives of the Registrant's auditors are expected to be present at this year's annual stockholders' meeting, available to respond to questions that may be asked by the stockholders. The said auditors will have the opportunity to make a statement if they desire to do so.

The external auditors charged the Company and its subsidiaries an aggregate amount of P1.08M for the last two (2) calendar years ending December 31, 2018 and 2017.

(b) Tax Fees

There were routine professional services rendered by the external auditors for tax accounting, compliance, advice, planning and any other form of tax services in each of the last two (2) calendar years ending December 31, 2018 and 2017. The fees for these services are included in the Audit and Audit-Related Fees mentioned above.

(c) All Other Fees

There were no other professional services rendered by the external auditors during the period.

(d) Company Policy in Appointment of Independent Auditor

The President and the Treasurer recommend to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board of Directors approves their recommendation.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9 – Directors and Executive Officers

- A. **DIRECTORS** – The names, ages, terms of office, business experience for the last five years, directorship in other companies of the directors of the Registrant are as follows:

Atty. Roberto V. San Jose, Director, Chairman of the Board - He was elected Chairman of the Board in 2003 and has been a member of the Board of Directors as early as 1991. He is a consultant of the Castillo Laman Tan Pantaleon & San Jose Law Offices and a Director or Officer of the following companies: Anglo Philippine Holdings Corporation, Alsons Consolidated Resources Corporation, Philweb Corporation, CP Group of Companies, Carlos Palanca Foundation, Inc., MAA Consultants, Inc., Solid Group Inc., United Paragon Mining Corporation, The Metropolitan Club, Inc. and various client corporations of their law firm. Attorney San Jose, a Filipino, is 77 years old.

Esteban G. Peña Sy, Director and President - He was elected as Director and President on Nov. 1, 2006 and has served as such for more than ten years now. He graduated from the University of the Philippines in 1968 with the degree of A.B. Economics and completed the Program for Management Development at Harvard Business School in 1982. He was the Managing Director of Pan Asian Management Ltd. And AI Financial Services Ltd., which are management and investment consultancy firms based in Hongkong, and Pan Asian Oasis Telecom Ltd. that operates joint venture factories engaged in the manufacture of communication and fiber optic cables in China. His previous work experience includes the following: Asst. Secretary General of the Federation of Filipino-Chinese Chambers of Commerce and Industry from 1971 - 1979 and Executive Director from 1980-1986; various positions in the Ayala Group of Companies from 1979-1984. Mr. Peña Sy, a Filipino citizen, is 71 years old.

Atty. Delfin P. Angcao, Corporate Secretary - Atty. Delfin Angcao holds the position since 1995. He is a partner at the Castillo Laman Tan Pantaleon & San Jose Law Offices (CLTPSJ) since the year 2000. He was a junior associate with CLTPSJ from 1995 to 1997. He climbed up to being a Senior Associate from 1997 to 2000. He was a former associate at the San Jose, Enriquez, Lacas, Santos, Borje & Vendero from 1992 to 1995. His other business experience in the last 5 years are as follows: director and/or Corporate/Asst. Corporate Secretary of various client corporations of CLTPSJ namely: United Paragon Mining Corporation, The Manila Southwoods Golf & Country Club, Inc., and Golden Valley Exploration Corporation. He is a member of the Integrated Bar of the Philippines and the Philippine Institute of Certified Public Accountants. Attorney Angcao, a Filipino, is 61 years old.

Atty. Ana Maria Katigbak, Director and Assistant Corporate Secretary – She holds the position of Assistant Corporate Secretary since 1999. She held the position of a director for seven years, or from 1999 to October 31, 2006, and then from June 27, 2007 up to the present. A member of the Integrated Bar of the Philippines and a graduate of Bachelor of Laws and Bachelor of Arts in Comparative Literature (Cum Laude) at the University of the Philippines, she is currently a partner at the Castillo Laman Tan Pantaleon San Jose Law Offices. Her other business experience in the last 5 years are as follows: assistant corporate secretary of publicly-listed companies and registered membership clubs such as: Boulevard Holdings, Inc., Premier Entertainment Productions, Inc., Solid Group, Inc., The Metropolitan Club, Inc., AJO.net Holdings, Inc. and PhilWeb Corporation. She is also a lecturer at the Thames International Business School, Philippine Campus. Atty. Katigbak, a Filipino, is 50 years old.

Anselm Wong, Director - Mr. Anselm Wong has been elected as director since January 12, 2017 upon the resignation of Mr. Shinsuke Amiya. He is the Chief Operating Officer of Asia Development Capital Co., Ltd. (formerly Asia Alliance Holdings Co., Ltd., a company listed in The Tokyo Stock Exchange since June 2015). Mr. Wong, a Malaysian citizen, is 33 years old.

Yang Min Lan, Director - Mr. Yang, aged 41, received a Doctor's Degree in Engineering from The National Yunlin University of Science and Technology in Taiwan in 2009. Mr. Yang has been a member of Taiwan Certified Public Technician of higher examination for civil since 2008. He is also a member of the Taiwan Professional Civil Engineers Association. He has been involved in varied construction projects in Taiwan in the development of roads, bridges, buildings, and especially in hotel and residential development. He also taught in Chienkuo Technology University. Presently, Mr. Yang is Chairman and Director of Lan Hai Co. Ltd., a construction consulting company since August 2015.

Rodrigo B. Supeña, Independent Director - Mr. Rodrigo B. Supeña has been elected as Independent Director of the Company since March 31, 2009, and has served as such for more than two years now. Mr. Supeña, a seasoned banker who previously held various key positions in Land Bank of the Philippines and Bank of the Philippine Islands, is currently a Consultant of Land Bank of the Philippines and a Board Member of LBP Leasing Corporation. Mr. Supeña, a Filipino, is 79 years old.

Steven Gamboa Virata, Independent Director – Mr. Steven Virata joined the Company in 2001. A degree holder of B.S. Architecture from the University of the Philippines, he has more than 10 years experience in the aviation industry, marketing, architecture, graphic design and production, theater industry and farm management. His other business experiences in the last 5 years are as follows: currently, he is a Director of C. Virata and Associates, ATAR-IV, Inc., Chilco Holdings Inc., and V.L. Araneta Properties, Inc. He was elected last year and is nominated this year, as an independent director. Mr. Virata, a Filipino, is 61 years old.

Messrs. Rodrigo B. Supeña and Steven G. Virata were elected as the Company’s independent directors at the last annual stockholders’ meeting held on July 10, 2018.

INDEPENDENT DIRECTORS

In compliance with SRC Rule 38 which provides for the guidelines on the nomination and election of independent directors, and under the New Manual on Corporate Governance, the Corporate Governance Committee shall, perform the functions previously undertaken by the Nomination and Election Committee, and shall be responsible in review and evaluation of qualifications of all persons nominated to the Board and other appointments that require Board approval. The Corporate Governance Committee is composed of the following as members:

- | | | | |
|----|---------------------------|---|--------------------------------|
| 1. | Steven G. Virata | - | Chairman, Independent director |
| 2. | Rodrigo B. Supeña | - | Member, Independent director |
| 3. | Roberto V. San Jose | - | Member |
| 4. | Anselm Wong | - | Member |
| 5. | Ana Maria A. Katigbak-Lim | - | Member |

On May 20, 2008, the stockholders and the board of directors of the Company have duly approved to amend the Company’s By-Laws by inserting a new provision therein relating to the procedure on nomination and election of independent directors as required under SRC Rule 38 of the Implementing Rules and Regulations of the Securities Regulations Code. The amended By-Laws is yet to be filed with and approved by the SEC.

B. EXECUTIVE OFFICERS/CONTROL PERSONS

Esteban G Peña Sy, President - See foregoing Director's Profile.

Gloria Georgia G. Garcia, Corporate Treasurer & Chief Financial Officer – A Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants, Ms. Garcia started her career with SGV & Co. Her work experience included more than three years as a junior auditor with the firm. Thereafter, she had few years in the recreation, gaming and hotel industries and more than twenty years in the real estate industry. Ms. Garcia, a Filipino, is 48 years old.

All the directors and executive officers named above were elected to their positions for a term of one (1) year and to serve as such until their successors are elected and qualified.

None of the directors and officers of the Company was involved in the past five years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law.

No directors and officers are related to the extent of the fourth civil degree either by consanguinity or affinity.

There is no other person aside from those listed under Directors and Executive Officers who makes a significant contribution to the business.

Except for the above directors and officers, the Registrant has no significant employees (as the term is defined under the SRC and its implementing rules and regulations).

Item 10 – Executive Compensation

Compensation of Directors and Executive Officers

The annual compensation of the Company’s Chief Executive Officer and three most highly compensated executive officers for the last two (2) fiscal years and the ensuing year 2019 (estimate) are as follows:

Name and Principal Position	Salary			Bonus	Other Annual Compensation
	2019 (Estimate)	2018	2017		
Roberto V. San Jose <i>Chairman of the Board</i>					
Esteban G. Peña Sy <i>President</i>					
Delfin P. Angcao <i>Corporate Secretary</i>					
Gloria Georgia G. Garcia <i>Treasurer</i>					
Aggregate compensation (all key officers and directors as a group) Note: Registrant has no other executive officers except those named above.	P4.8M	P4.7M	P4.37M	None	None

Directors receiving compensation were either employed as officers of the Registrant receiving fixed monthly salary or receiving reimbursement of representation expenses incurred from time to time.

Executive officers employed by the Registrant, receiving fixed monthly salary (see table above) are Mr. Esteban G. Peña Sy and Ms. Gloria Georgia G. Garcia.

There were no employment contracts, termination of employment, or any arrangement that resulted or may result in a change of control of the Registrant.

There are no outstanding warrants or options held by the Company’s executive officers and directors as a group.

Item 11 – Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

Stockholders owning more than 5% of the Registrant’s shares of stocks as of December 31, 2018:

Title of Class	Name And Address Of Record Owner And Relationship With Issuer	Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Prokey Investment Ltd.** c/o Mabuhay Holdings Corporation: 35/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223	Esteban G. Peña Sy, President of Registrant	Filipino	351,289,763	29.27
Common	PCD Nominee Corporation* G/F MSE Building 6767 Ayala Avenue, Makati City	B. A. Securities *	Foreign	365,495,010	30.46
TOTAL				716,784,773	59.73

* B.A. Securities, Inc. is the only participant under the PCD that owns 5% or more of the Company’s voting stock. While in the past years, Mr. Esteban G. Peña Sy or Atty. Roberto V. San Jose, the Chairman of the Meeting was appointed proxy for 364,187,106 shares in the name of B. A. Securities, Inc., Registrant is not aware of the identity of its new proxy, if any, entitled to vote in the forthcoming annual stockholders' meeting.

**Prokey Investment Ltd. (Prokey) is a 100% Filipino-owned company registered in the British Virgin Islands and licensed by the SEC on March 15, 2010 to operate a representative office in the Philippines. Mr. Esteban Peña Sy, President of the Registrant and the owner of Prokey will exercise his right to vote for these shares.

(2) Security Ownership of Management.

The following directors and officers are record/beneficial (R/B) owners of the Registrant’s shares as indicated opposite their names as of December 31, 2018:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership			Citizenship	Percent of Ownership
		Shares	Amount	Nature		
Common	Roberto V. San Jose Director/Chairman of the Board	600	600	R & B	Filipino	0
Common	Esteban G. Peña Sy	353,299,813	353,299,813	R & B	Filipino	29.44
Common	Delfin P. Angcao Director/Corp. Secretary	641	641	R & B	Filipino	0
Common	Steven G. Virata Director	100	100	R	Filipino	0
Common	Rodrigo B. Supeña	50	50	R	Filipino	0

Common	Ana Maria A. Katigbak Director/Asst. Corp. Secretary	50	100	R	Filipino	0
Common	Anselm Wong	50	50	R	Malaysian	0
Common	Yang Min Lan	50	50	R	Taiwanese	0
Common	Gloria Georgia G. Garcia, Treasurer	50	50	R	Filipino	0
TOTAL		353,301,404	353,301,454			29.44

Item 12 – Certain Relationships and Related Transactions

There are no related party transactions other than those presented in Note 15 of the Notes to Consolidated Financial Statements attached herein.

PART IV – CORPORATE GOVERNANCE

Item 13 – Compliance with Leading Practice on Corporate Governance

The Company is committed to good corporate governance and continues to pursue efforts towards attaining full compliance with its New Manual on Corporate Governance.

The Company has designated its SVP-Treasurer and Chief Financial Officer, Ms. Gloria Georgia G. Garcia, as Compliance Officer who is tasked with monitoring compliance with the provisions and requirements of the Company's New Manual on Corporate Governance.

The Company progressively develops a plan and timetable for compliance with certain leading practices and principles of good corporate governance, such as structured monitoring of compensation, benefits, succession planning and continuous training for management and key personnel on the leading practices of good corporate governance.

PART V -- EXHIBITS AND SCHEDULES

Item 14 – Exhibits and Reports on Form 17-C

A. **Exhibits** -- The exhibits, as indicated in the Index to Exhibits, are either not applicable to the Company or require no answer.

B. **Report on SEC Form 17-C**

The following current reports have been reported by Mabuhay Holdings Corporation during the year 2018 through official disclosures dated:

Date	Disclosures
April 12, 2018	Notice of Annual Stockholders' Meeting
April 12, 2018	Change in Directors and/or Officers
April 20, 2018	Material Information/Transactions
June 05, 2018	Notice of Annual Stockholders' Meeting - Amendment
July 10, 2018	Results of Annual Stockholders' Meeting
July 10, 2018	Results of Organizational Meeting of Board of Directors

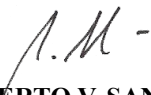
SIGNATURES

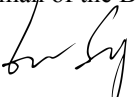
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on its behalf by the issuer by the undersigned, thereunto duly authorized, in the City of Makati, on 15 April, 2019.

MABUHAY HOLDINGS CORPORATION **Issuer**


Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capacities and on the dates indicated:

By:
Board of Directors and Officers:


ROBERTO V. SAN JOSE
Chairman of the Board


ESTEBAN G. PEÑA SY
Director and President


DELFIN P. ANGCAO
Corporate Secretary


GLORIA GEORGIA G. GARCIA
Treasurer

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

APR 15 2019

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this _____ day of _____, affiants exhibiting to me their Community Tax Certificates/Passports/Driver's License, as follows:

Affiant	CTC No./ Passport No.	Date of Issue	Place of Issue
Roberto V. San Jose	P1329913A	December 20, 2016	DFANCR South
Esteban G. Peña Sy	P8276657A	August 09, 2018	DFA NCR Central
Delfin P. Angcao	P0113420A	August 31, 2016	Manila
Gloria Georgia G. Garcia	P8316836A	August 11, 2018	DFA NCR NorthEast

Doc. No. 469
Page No. 95
Book No. XN
Series of 2019.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public Makati City
Until Dec. 31, 2019
Appointment No. M-163 (2019-2020)
PTR No. 7333104 Jan. 3, 2019/Makati
IBP Lifetime No. 656155 Roll No. 40091
MCLE Compliance No. V-0006934
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

MABUHAY HOLDINGS CORPORATION

INDEX TO EXHIBITS

SEC FORM 17-A

Plan of Acquisition, Reorganization, Arrangements, Liquidation or Succession	*
Instruments Defining the Rights of Security Holders, Including Indentures	*
Voting Trust Agreement	*
Material Contracts	*
Annual Report of Security Holders, Form 17-Q or Quarterly Report to Security Holders	*
Report Furnished to Security Holders	*
Subsidiary of the Registrant	Page 18
Published Report Regarding Matters Submitted to Vote of Security Holders	*
Consents of Experts and Independent Counsel	*
Power of Attorney	*
Additional Exhibits	*

* Either not applicable to the Company or requires no answer.

SUBSIDIARIES OF THE REGISTRANT

The following are the subsidiaries of the Registrant over which it exercises considerable control:

A. Wholly-owned subsidiaries

T & M Holdings, Inc.
M & M Holdings Corporation

B. Others

<u>Subsidiary</u>	<u>Ownership</u>
The Taal Company, Inc.	29.97
Tagaytay Properties and Holdings Corporation	26.04
Mindanao Appreciation Corporation	28.51
The Angeles Corporation	38.46