

STRICTLY CONFIDENTIAL

The Stockholders and the Board of Directors
Century Properties Group Inc. (the "Company")
21st Floor Pacific Star Building
Sen. Gil Puyat corner Makati Avenue
Makati City

We have performed the procedures agreed with you for the reconciliation of retained earnings available as of September 30, 2018. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These procedures were performed solely to assist you in your application for approval by the Philippine Securities and Exchange Commission's (SEC) of the proposed retail bond offering of the Company.

Summarized below are the procedures performed and our findings:

Procedures Performed

- a. We obtained the September 30, 2018 schedule of retained earnings available for dividend declaration;
- b. We checked the mathematical accuracy of the schedule of retained earnings available for dividend declaration;
- c. We checked whether the schedule of retained earnings available for dividend declaration is presented in accordance with the prescribed format as per Securities Regulation Code 68, As Amended (2011); and
- d. We traced the reconciling items pertaining to dividends declared and treasury shares to the consolidated financial statements of the Company as of September 30, 2018 as filed with the SEC.
- e. We traced the net income of the Company to the parent company financial statements that was included in the consolidated financial statements of the Company as of September 30, 2018 as filed with the SEC.

Findings

With respect to items (b) to (e), we noted no exceptions.

Please refer to the attached Schedule of Retained Earnings Available for Dividend Declaration.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagement (PSRE), we do not express any assurance on the financial statements or accounts of the Company.

Had we performed additional procedures or had we performed an audit or review of the parent company financial statements of the Company in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and management of the Company and for filing with the SEC for the purpose indicated above, and should not be used for any other purpose or referred to in whole or in part or quoted by excerpt or reference without our knowledge and consent. This report relates only to the accounts and items specified above and do not extend to any financial statements of the Company, taken as a whole.

SYCIP GORRES VELAYO & CO.



John T. Villa

Partner

CPA Certificate No. 94065

SEC Accreditation No. 1729-A (Group A),

December 18, 2018, valid until December 17, 2021

Tax Identification No. 901-617-005

BIR Accreditation No. 08-001998-76-2018,

February 26, 2018, valid until February 25, 2021

PTR No. 7332628, January 3, 2019, Makati City

March 18, 2019

**SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION**

As of September 30, 2018

CENTURY PROPERTIES GROUP INC.

21st Floor Pacific Star Building, Sen. Gil Puyat corner Makati Avenue, Makati City

Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning		P821,525,788
Add: Net income actually earned/realized during the period		
Net income during the period closed to Retained Earnings	(P77,183,671)	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-	
Unrealized actuarial gain	-	
Fair value adjustment (M2M gains)	-	
Fair value adjustment of Investment Property resulting to gain	-	
Adjustment due to deviation from PFRS/GAAP-gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total	<u>-</u>	
Add: Non-actual/Unrealized Losses		
Depreciation on revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS/GAAP – loss	-	
Loss on fair value adjustment of investment property (after tax)	-	
	<u>-</u>	
Net Income Actual/Realized		<u>(77,183,671)</u>
Add(Less):		
Dividend declarations during the period	(199,999,999)	
Appropriations of Retained Earnings during the period	-	
Reversals of appropriations	-	
Effects of prior period adjustments	-	
Treasury shares	(109,674,749)	
	<u>(309,674,748)</u>	
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND		<u>P434,667,369</u>