Century Properties Group, Inc.

(incorporated with limited liability in the Republic of the Philippines)

₱2,000,000,000 with an Oversubscription Option of up to ₱1,000,000,000 Fixed Rate
Three Year Bonds due 2 September 2017 at 6.0000% p.a
Five Year Bonds due 2 March 2020 at 6.6878% p.a
Seven Year Bonds due 2 September 2021 at 6.9758% p.a

Issue Price: 100% of Face Value

Issue Manager

BDO Capital & Investment Corporation

Joint Lead Underwriters and Bookrunners

BDO Capital & Investment Corporation

The Hongkong and Shanghai Banking Corporation Limited

Financial Adviser to the Company

PRIMEIRO PARTNERS

The date of this Prospectus is August 15, 2014

CENTURY PROPERTIES GROUP INC.

21/F Pacific Star Building, Sen. Gil Puyat Avenue corner Makati Avenue
Makati City, Philippines
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Seven Year Bonds Due 2 September 2021 at 6.9758% p.a.

Offer Price: 100% of Face Value

Century Properties Group Inc. (the “Issuer” or the “Company” or “CPGI”) is offering Unsecured Fixed Rate Peso Retail Bonds (the “Bonds”) with an aggregate principal amount of ₱2,000,000,000.00, with an Oversubscription Option of ₱1,000,000,000.00. The Bonds are comprised of 6.0000% p.a three year bonds ("Three Year Bonds"), 6.6878% p.a five year bonds ("Five Year Bonds"), and 6.9758% p.a seven year bonds ("Seven Year Bonds").The Bonds will be issued by the Company pursuant to the terms and conditions of the Bonds on 2 September 2014 (the "Issue Date").

Interest on the Three Year, Five Year and Seven Year Bonds will be payable quarterly in arrears; commencing 2 December 2014 for the first Interest Payment Date and on 2 March, 2 June, 2 September, and 2 December, of each year for each Interest Payment date at which the Three Year, Five Year and Seven Year Bonds are outstanding, or the subsequent Business Day without adjustment if such Interest Payment Date is not a Business Day. The Bonds shall be repaid at maturity at par (or 100% of face value), plus any outstanding interest, on the respective maturity date or on 2 September 2017 for the Three Year Bonds, on 2 March 2020 for the Five Year Bonds and on 2 September 2021 for the Seven Year Bonds unless the Company exercises its early redemption option according to the conditions therefore (see “Description of the Bonds” – “Redemption and Purchase” on page 65).

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

This Prospectus relates to the offer of ₱2,000,000,000 with an Oversubscription Option of up to ₱1,000,000,000 of Fixed Rate Bonds of CPGI due 2 September 2017 for the Three Year Bonds, on 2 March 2020 for the Five Year Bonds and on 2 September 2021 for the Seven Year Bonds, from the Issue Date at an issue price of 100% of face value (the “Issue Price”).

The Bonds have been rated AA+ by Credit Rating Investors Services Philippines Inc. (“CRISP”) as of June 6, 2014. The AA+ rating represents CRISP’s credit rating opinion on the borrower’s very strong capacity to repay debt with a low probability of default and a high recovery rate in a worst-case scenario. CRISP assigns a positive outlook to signify its confidence that CPGI’s focused growth strategy will result in stronger financial outcomes, increased market share and a more diversified market presence. This outlook is premised on stable interest rate, robust overseas remittance trends and calm overall political environment. The rating is not a recommendation to buy, sell, or hold securities, and may be subject to an annual review, which may result in the revision, suspension, or withdrawal of the rating by the concerned rating agency.

CPGI expects to raise gross proceeds amounting to up to ₱2,000,000,000 and the net proceeds are estimated to be approximately ₱1,937,602,554 after deducting fees, commissions and expenses relating to the issuance of the Bonds. If the Oversubscription Option of ₱1,000,000,000 is exercised, then net proceeds will be ₱2,922,064,920 after deducting fees, commissions and expenses relating to the issuance of the Bonds. Proceeds of the Offer shall be used to partially finance the Company’s capital expenditures for the residential and commercial projects it plans to complete between 2017 to 2019 (see “Use of Proceeds” on page 53). The Underwriters shall receive a fee of 1.0% on the final aggregate nominal principal amount of the Bond issued.

The Bonds shall be offered to the public at face value through the Underwriters named herein. The Bonds shall be issued in scripless form, with the PDTC maintaining the Electronic Registry of Bondholders, as the Registrar of the Bonds. Subsequent to Issue Date, the Bonds shall be listed in PDEx to facilitate secondary trading. The Bonds shall be issued in denominations of ₱50,000 each, as a minimum and in multiples of ₱10,000 thereafter, and traded in denominations of ₱10,000 in the secondary market.

On June 20, 2014, CPGI filed a Registration Statement with the Securities and Exchange Commission (the “SEC”), in connection with the offer and sale to the public of debt securities with an aggregate principal amount of ₱2,000,000,000, with an Oversubscription Option of ₱1,000,000,000 constituting the Bonds.

There can be no assurance in respect of: (i) whether CPGI would issue such debt securities at all; (ii) the size or timing of any individual issuance or the total issuance of such debt securities; or (iii) the specific terms and conditions of any such issuance. Any decision by CPGI to offer such debt securities will depend on a number of factors at the relevant time, many of which are not within CPGI’s control, including but not limited to: prevailing interest rates, the financing requirement of CPGI’s business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

Since this is a debt instrument, Bondholders shall not be entitled to any dividends from the Issuer. CPGI’s dividend policy is discussed further in the section “Market Price of and Dividends on Common Equity and Related Stockholder Matters” on page 130.

CPGI confirms that this Prospectus contains all material information relating to the Company, its Subsidiaries and affiliates, which are, in the context of the issue and offering of the Bonds, material (including all information required by applicable laws of the Republic of the Philippines), and are true, accurate, and correct in every respect. To the best of its knowledge and belief, there is no material misstatement or omission of fact, which would make any statement in this Prospectus misleading in any material respect. CPGI confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants for inclusion into this Prospectus.

CPGI, however, has not independently verified any publicly available information, data, or analyses. Neither the delivery of this Prospectus nor any sale made pursuant to the Offering, shall, under any circumstance, create any implication that the information contained or referred to in this Prospectus is accurate as of any time subsequent to the date hereof. BDO Capital, HSBC and Primeiro Partners assumes no liability for any information contained in this Prospectus and do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Prospectus. Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus.

Neither the delivery of this Prospectus nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, create any implication that the information contained or referred to in this Prospectus is accurate as of any time subsequent to the date hereof. This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Bookrunners and Joint Lead Underwriters, the Trustee or the Agents, or any of their respective affiliates, directors or advisors to subscribe for or purchase the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or is unlawful.

The Joint Bookrunners and Joint Lead Underwriters, the Trustee or the Agents or any of the Issuer's advisors do not make any representation, express or implied, as to the accuracy or completeness of the information contained in this Prospectus.

The contents of this Prospectus are not to be considered as definitive legal, business or tax advice. Each Prospective Bondholder receiving a copy of this Prospectus acknowledges that he has not relied on the Joint Bookrunners and Joint Lead Underwriters, the Trustee or the Agents or any of the Issuer's advisors in his investigation of the accuracy of any information found in this Prospectus or in his investment decision. Prospective purchasers should consult their own counsel, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds, among others. It bears emphasis that investing in the Bonds involves certain risks. It is best to refer again to the section on "Risk Factors" for a discussion of certain considerations with respect to an investment in the Bonds.

In making an investment decision, investors must rely on their own examination of CPGI and the terms of the Offer, including the material risks involved. The Offer is being made on the basis of this Prospectus only.

To the fullest extent permitted by law, none of the Issuer's advisors or the Joint Bookrunners and Joint Lead Underwriters, the Trustee or the Agents or any of their respective affiliates, directors or advisors accepts any responsibility for the contents of this Prospectus. Each of the Issuer's advisors, Joint Bookrunners and Joint Lead Underwriters, the Trustee and the Agents or any of their respective affiliates, directors or advisors accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Prospectus or any such statement. None of the Issuer's advisors, Joint Bookrunners and Joint Lead Underwriters, the Trustee or the Agents or any of their respective affiliates, directors or advisors undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Issuer's advisors, Joint Bookrunners and Joint Lead Underwriters, the Trustee or the Agents.

No dealer, salesman or other person has been authorized by CPGI and the Underwriters to give any information or to make any representation concerning the Bonds other than those contained herein, and, if given or made, any such other information or representation should not be relied upon as having been authorized by CPGI, BDO Capital or HSBC.

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. An investment in Bonds, as described in this Prospectus, involves a certain degree of risk. A prospective purchaser of the Bonds should carefully consider several risk factors (see "Risk Factors" on page 27), such as risks inherent to the Company and the Business and risks pertinent to the Philippines vis-à-vis risks inherent to the Bonds, in addition to the other information contained in this Prospectus, in deciding whether to invest in the Bonds.

In making an investment decision, investors must rely on their own examination of CPGI and the terms of the Offer, including the material risks involved. The Offer is being made on the basis of this Prospectus only.

RISKS RELATING TO THE BONDS

- The Company may be unable to redeem the Bonds
- Liquidity risk
- Pricing risk
- Retention of ratings risk
- Bonds have no preference under Article 2244(14) of the Civil Code

For more information on "Risks Factors", please see page 27.

The contents of this Prospectus are not to be considered legal, business, or tax advice. Each prospective purchaser of the Bonds receiving a copy of this Prospectus acknowledges that he has not relied on the Underwriters in his investigation on the accuracy of any information found in the Prospectus or in his investment decision.

Prospective purchasers should consult their own counsel, accountants, or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds, among others. It bears emphasis that investing in the Bonds involves certain risks (see discussion on factors to be considered in respect of an investment in Bonds under "Risk Factors" on page 27).

CPGI is organized under the laws of the Philippines. Its principal office address is at the 21/F Pacific Star Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City, Philippines, with telephone number +63 2 793 8928.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION ARE TRUE AND CURRENT.

Century Properties Group Inc. By:

JOSE EDUARDO B. ANTONIO
Chairman of the Board, President and CEO

AUG 15 2014

SUBSCRIBED AND SWORN to before me this ______________ at Makati City, Metro Manila affiant exhibiting to me his PP# EB1244869 issued on OCT 26, 2010, at ______________, and expiring on OCT 25, 2015.

Doc. No. 052
Page No. 12
Book No. XIII
Series of 2014.

DOMIE S. EDUVANE
Notary Public for Makati City
Appointment No. M-202
Until December 31, 2015
PTR No. 4233439 / 01.08.14 / Makati City
IBP No. 952792 / 01.07.14 / Zambales

Office Address
Century Properties Group, Inc.
21st Floor Pacific Star Building,
Sen. Gil Puyat Avenue corner Makati Avenue,
Makati City 1200

Contact Numbers
Trunkline (+632) 793-5500
Cellphone (+63917) 555-5274

www.century-properties.com

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FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by use of statements that include words or phrases such as "believes", "expects", "anticipates", "intends", "plans", "foresees", or other words or phrases of similar import. Similarly, statements that describe CPGI's objectives, plans or goals are also forward-looking statements. All such forward-statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of CPGI include, among others:

- General economic and business conditions in the Philippines;
- Industry risk in which CPGI, its Subsidiaries and affiliates operate;
- Changes in laws and regulations that apply to the segment or industry in which CPGI, its Subsidiaries and affiliates operate; and
- Changes in political conditions in the Philippines.

For further discussion of such risks, uncertainties and assumptions, see "Risk Factors" on page 27. Prospective purchasers of the Bonds are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Prospectus, and CPGI undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

BDO Capital and HSBC does not take any responsibility for, or give any representation, warranty or undertaking in relation to, any such forward-looking statement.

DEFINITION OF TERMS

As used in this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

Application to Purchase	The document to be executed by any Person qualified to become a Bondholder
Balikbayans	Former Filipino citizens who have returned to the Philippines.
Banking Day	A day (except Saturdays, Sundays and holidays) on which commercial banks in Makati City, Metro Manila, Philippines are open for business transactions
BDO Capital	BDO Capital & Investment Corporation as Issue Manager, Joint Underwriter, and Joint Bookrunner, as may be applicable.
Beneficial Owner	Any person (and "Beneficial Ownership" shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of such security; provided, however, that a person shall be deemed to have an indirect beneficial ownership interest in any security which is hed by: i. Members of his immediate family sharing the same household; ii. A partnership in which he is a general partner; iii. A corporation of which he is a controlling shareholder; iv. Subject to any contract, arrangement or understanding, which gives him voting power with respect to such securities; provided, however, hat the following persons or institutions shall not be deemed to be beneficial owners of securities held by them for he benefit of third parties or in customer or fiduciary accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the issuer:

a. A broker dealer;
b. An investment house registered under the Investment Houses Law;
c. A bank authorized to operate as such by the BSP;
d. An insurance company subject to the supervision of the Office of the Insurance Commission;
e. An investment company registered under the Investment Company Act;
f. A pension plan subject to regulation and supervision by the Bureau of Internal Revenue and/or the Securities and Exchange Commission or relevant authority; and
g. A group in which all of the members are persons specified above.

BIR	Philippine Bureau of Internal Revenue
Board of Directors	Board of Directors of CPGI
BOI	Philippine Board of Investments
BPO	Business Process Outsourcing
Bondholder	A person whose name appears, at any time, as a holder of the Bonds in the Registry of Bondholders
Bonds	The SEC-registered Unsecured Fixed Rate Peso Retail Bonds due on 2 September 2017 for the Three Year Bonds, on 2 March 2020 for the Five Year Bonds and on 2 September 2021 for the Seven Year Bonds, with an aggregate principal amount of ₱2,000,000,000, with an Oversubscription Option of up to ₱1,000,000,000 which shall be issued by CPGI on Issue Date.
Bond Agreement	The Trust Indenture between the Issuer and the Trustee, the Registry and Paying Agency Agreement between the Issuer and the Registrar and Paying Agent, and the Underwriting Agreement between the Issuer and the Issue Manager, Underwriters and Bookrunners, or any document, certificate or writing contemplated thereby.
BP 220	Batas Pambansa Blg. 220, An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing Projects in Urban and Rural Areas from Those Provided Under Presidential

	Decrees Numbered Nine Hundred Fifty Seven, Twelve Hundred Sixteen, Ten Hundred Ninety-Six and Eleven Hundred Eighty-Five
BSP	Bangko Sentral ng Pilipinas, the central bank of the Philippines
Building Code	Republic Act No. 6541 as amended by Presidential Decree No. 1096, also known as the National Building Code of the Philippines
Business Day	or “Banking Day” shall be used interchangeably to refer to any day when commercial banks are open for business in Makati City, Metro Manila, except Saturday and Sunday or any legal holiday not falling on either a Saturday or Sunday.
By-Laws	The Company’s By-Laws, as amended
CBD	Central Business District
CCC	Century Communities Corporation
CCDC	Century City Development Corporation
CPGI	Century Properties Group, Inc., the Company
Civil Code	Republic Act No. 386, also known as the Civil Code of the Philippines, as amended
CLC	Century Limitless Corporation
Common Shares	Common shares of the Company with a par value of 53 centavos
Corporation Code	Batas Pambansa Blg. 68, otherwise known as “The Corporation Code of the Philippines”, as amended
Constitution	The 1987 Constitution of the Philippines
CPI	Century Properties, Inc.
CPMI	Century Properties Management, Inc.
CRISP	Credit Rating and Investors Services Philippines Inc.
DAR	Philippine Department of Agrarian Reform
DENR	Philippine Department of Environment and Natural Resources
EAPRC	East Asia Power Resources Corporation

EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
ECC	Environmental Compliance Certificate
EIA	Environmental Impact Assessment
Electronic Registry of Bondholders	The electronic record of the issuances, sales and transfers of the Bonds to be maintained by the Registrar, pursuant to and under the terms of the Registry and Paying Agency Agreement
Essensa	Essensa East Forbes condominium project
FF/FF	Fully-Fitted and Fully-Furnished
Financial Adviser to the Company	Primeiro Partners
GDP	Gross Domestic Product
GFA	Gross floor area
Government	Government of the Republic of the Philippines
Governmental Authority	The Republic of the Philippines, any of its political subdivisions, or any branch, department, agency or office thereof, or any Person exercising or entitled to exercise executive, legislative, judicial, regulatory or administrative functions thereof
HDMF	Home Development Mutual Fund
HLURB	Housing and Land Use Regulatory Board
HSBC	The Hongkong and Shanghai Banking Corporation Limited, as Joint Underwriter, and Joint Bookrunner, as may be applicable.
IFRIC	International Financial Interpretations Committee
IFRIC 15	Interpretation No. 15 on Agreements for the Construction of Real Estate
Interest Rates	Interest Rate of the Bonds, at 6.0000% p.a for the Three Year Bonds, 6.6878% p.a for the Five Year Bonds, and 6.9758% p.a for the Seven Year Bonds
Interest Payment Dates	2 December 2014 for the first Interest Payment Date and on 2 March, 2 June, 2 September, and 2 December of each year for each subsequent Interest Payment Date, for so long as the relevant Bonds are outstanding. If the Interest Payment Date is not a Business Day, interest

	will be pain on the next succeeding Business Day, without any adjustment as to the amount of interest to be paid.
Issue Date	2 September 2014 or such date on which the Bonds will be issued by CPGI to the Bondholders
Issue Manager	BDO Capital & Investment Corporation
ITH	Income Tax Holiday
Lead Underwriters	BDO Capital & Investment Corporation, and The Hongkong and Shanghai Banking Corporation Limited
Lien	shall mean (a) a mortgage, charge, pledge, encumbrance, or other lien securing any obligation of any person, (b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person or (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect
LGU	Local Government Unit
Maceda Law	Republic Act No. 6552, a Philippine statute entitled “An Act to Provide Protection to Buyers of Real Estate on Installment Payments” otherwise known as or the “Realty Installment Buyer Act”
Majority Bondholders	The holder or holders of more than fifty percent (50%) of the principal amount of the Bonds outstanding at the relevant time
Maturity Dates	2 September 2017, the Maturity Date of the Three (3) Year Bonds, 2 March 2020, the Maturity Date of the Five (5) Year and Six (6) Months Bonds, and 2 September 2021, the Maturity Date of the Seven (7) Year Bonds, for purposes of the Company effecting repayment of the principal amount thereof, shall be in accordance with Business Day convention. Thus, if a Maturity Date is not a Business Day, the principal repayment, without adjustment as to the amount of interest to be paid, shall be made by the Company on the succeeding Business Day.
Meridien	Meridien Group of Companies

Moody's	Moody's Investors Service, Inc.
Offer or Offering	The offer and issuance of the Bonds by the Company pursuant to the Trust Indenture, Underwriting Agreement, Application to Purchase, and the Registry and Paying Agency Agreement, which are summarized in the section "Description of the Bonds" on page 61.
Offer Period	Commencing at 9:00 am on 18 August 2014 and ending at 12:00 nn on 26 August 2014 or such earlier day or later day as may be mutually agreed upon by the Issuer, the Issue Manager and Underwriters.
OFWs	Overseas Filipino Workers
PAS	Philippine Accounting Standards
Paying Agent	Refers to PDTC, appointed under the Registry and Paying Agency Agreement that will receive the funds from the Company for the payment of th e principal, interest, and other amounts due on the Bonds and remit the same to the Bondholders, based on the records shown in the Electronic Registry of Bondholders
Payment Date	The Interest Payment Date and/or the Maturity Date and/or the date of early redemption when interest on and/or the redemption amount of the Bonds is due and payable to the relevant Bondholders.
PD 957	Presidential Decree No. 957, "The Subdivision and Condominium Buyers' Protective Decree", as amended
PD 1529	Presidential Decree No. 1529, "Property Registration Decree"
PDEx	Philippine Dealing & Exchange Corp.
PDTC	Philippine Depository and Trust Corporation
PCD Nominee	PCD Nominee Corporation
Person	Individuals, juridical persons such as corporation, partnership, joint venture, unincorporated association, trust or other juridical entities, or any governmental authority.
Peso or Pesos or P or ₱ or Php	Philippine Pesos, the lawful and official currency of the Republic of the Philippines
PEZA	Philippine Economic Zone Authority

PFRS	Philippine Financial Reporting Standards
Prospectus	This Prospectus together with all its annexes, appendices and amendments, if any
PSE	Philippine Stock Exchange
RA 4726	Republic Act No. 4726 or The Condominium Act
RA 6557	Republic Act No. 6557 or The Comprehensive Agrarian Reform Law of 1988
RA 7279	Republic Act No. 7279 or The Urban Development and Housing Act of 1992
Record Date	Two Business Days prior to the relevant Payment Date, which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal, or any other amount due under the Bonds
Registrar	Refers to PDTC, appointed pursuant to the Registry and Paying Agency Agreement
Registry and Paying Agency Agreement	Registry and Paying Agency Agreement dated 15 August 2014 between the Company and the Paying Agent and the Registrar
RTC	Regional Trial Court
SEC	Philippine Securities and Exchange Commission
SGV & Co.	SyCip Gorres Velayo & Co., the Company's Independent Auditor
sq.m.	square meter(s)
SRC	Republic Act No. 8799, otherwise known as "The Securities Regulation Code of the Philippines", including its implementing rules and regulations as promulgated and amended or supplemented by the SEC from time to time
Standard & Poor's	Standard & Poor's Ratings Group
Subsidiaries	Century Limitless Corporation, Century City Development Corporation, Century Communities Corporation, Century Properties Management, Inc. and Century Properties Hotel and Leisure, Inc.
Tax Code	The Philippine National Internal Revenue Code of 1997, as amended, and its implementing rules and regulations as may be in effect from time to time

Terms and Conditions	The terms and conditions of the issuance of the Bonds as set forth in the Trust Indenture
TCT	Transfer Certificate of Title
Trust Indenture	Trust Indenture to be entered into between the Company and the Trustee
Trustee	BDO Unibank, Inc. – Trust and Investment Group
Underwriting Agreement	Underwriting Agreement to be entered into among the Company, the Issue Manager, and the Underwriters
VAT	Value-Added Tax

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by the more detailed information, including the Company's financial statements and notes relating thereto, appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all the information that a prospective purchaser should consider before investing. Prospective purchasers of the Bonds must read the entire Prospectus carefully, including the section on "Risk Factors", and the financial statements and the related notes to those statements annexed to this Prospectus. Capitalized terms not defined in this summary are defined in the section "Definition of Terms".

THE COMPANY

CPGI is one of the leading real estate companies in the Philippines with 28 years of experience. According to Colliers International, it ranked third in terms of Metro Manila residential market share by value of units sold for the full year ended December 31, 2013. The Company is primarily engaged in the development, marketing, and sale of mid- and high-rise condominiums, commercial leasing and property management.

Currently, the Company has five wholly-owned subsidiaries namely Century City Development Corporation, Century Limitless Corporation, Century Communities Corporation, Century Properties Management, Inc. and Century Properties Hotel and Leisure, Inc. (collectively known as the "Subsidiaries"), and an associate called A2 Global, Inc. Through its Subsidiaries and Associate, CPGI develops, markets and sells residential, office, medical and retail properties in the Philippines, as well as manages residential and commercial properties in the Philippines.

As of June 30, 2014, the Company completed 6 condominium buildings (5,009 units) with a total GFA (with parking) of 354,313 sq.m, and a commercial building with 49,143 sq.m of GFA (with parking). The roster of noteworthy developments include the award-winning Essensa East Forbes ("Essensa") in Fort Bonifacio, South of Market ("SOMA") in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas, a collection of French-inspired condominiums in Makati City called Le Triomphe, Le Domaine and Le Metropole, and the Gramercy Residences in Century City, Makati City. The Company also formally launched the Century City Mall in March 2014, its initial foray into retail development.

Currently, the Company is developing five master-planned communities that are expected to have 31 condominiums and commercial buildings and 934 single detached homes, with a total expected GFA of 1,669,325 sq.m. These five master-planned communities are:

- ***Century City*** – A 3.4-hectare mixed-use project in Makati City with eight buildings covering a total planned GFA (with parking) of 643,176 sq.m. The Company completed The Gramercy Residences, The Knightsbridge Residences and the Century City Mall. There are five additional ongoing projects including The Milano Residences (interior design by Versace Home); Centuria Medical Makati, Trump Tower Manila, Century Spire designed by world renowned architect Daniel Libeskind and interior designed by Giorgio Armani S.P.A., and an office building in partnership with Forbes Media LLC. These five ongoing projects have projected completion dates from 2014 up to 2019.

- ***Acqua Private Residences*** – Located in Mandaluyong City, this development comprises six towers with views of the Makati City skyline and will feature a country club with fitness, retail, dining and entertainment facilities, as well as what is expected to be the first riverwalk promenade in the Philippines. These six towers have projected completion dates from 2015 up to 2019.

- ***Azure Urban Resort Residences*** – CPGI's first property in the affordable market segment, Azure Urban Resort Residences is a nine building residential property set on six-hectares in Parañaque City. The development features what is expected to be the first man-made beach in an urban residence in Manila and a beach club designed by Paris Hilton. The first three towers have been completed, and the remaining six towers are projected to be completed from 2015 to 2018.

- ***Commonwealth*** – It is a 4.4-hectare project of CPGI and its first masterplanned residential community development in Quezon City. The eight-tower project will rise in Commonwealth Avenue within the vicinity of a shopping center, top schools, techno hubs, churches and major thoroughfares. The Commonwealth by Century residential package includes livable unit layouts with extended balconies, distinctive amenities that encourage outdoor and holistic social interaction, a community with open spaces, greenery and waterscapes; and round the clock safety and security systems for the peace of mind of all residents. The project's unique architectural design, spacious unit layouts and pioneering amenities aim to redefine the standards of living in Quezon City. These eight towers have completion dates from 2015 up to 2019.

- ***Canyon Ranch*** – A 25-hectare house and lot community that is part of the 77-hectare San Lazaro Leisure Park in Cavite City targeted for middle-income buyers. The community features a clubhouse with sports and leisure facilities and offers residents views of the Leisure Park which includes one of only two operating horse racing tracks in the Philippines.

The Company's land bank for future development consists of properties in Pampanga, Quezon City and Batangas that cover a site area of 2,000,970 sqm.

The Company, through Century Properties Management, Inc. ("CPMI") also engages in a wide range of property management services, from facilities management and auction services, to lease and secondary sales. Through CPMI, the Company endeavors to ensure that the properties it manages maintain and improve their asset value, and are safe and secure. CPMI manages 51 projects as of June 30, 2014 with 2.56 million square meters GFA of managed properties and 86% of the projects CPMI manages were developed by third-parties. Notable third-party developed projects under management include the Asian Development Bank in Ortigas, BPI Buendia Center in Makati City, Philippine National Bank Financial Center in Pasay City, Pacific Star Building in Makati City, Makati Medical Center in Makati City and three Globe Telecom buildings in Cebu, Mandaluyong and Makati City, respectively.

CPGI's aim is to enhance the overall quality of life for Filipinos and foreign nationals by providing distinctive, high-quality and affordable properties. CPGI focuses on differentiation to drive demand, increase its margins and grow market share. In particular, CPGI identifies what the Company believes are the best global residential standards and adopts them to the Filipino market. CPGI believes that it has earned a reputation for pioneering new housing concepts in the Philippines. One of CPGI's significant contributions is the Fully-Fitted and Fully-Furnished ("FF/FF") concept, which is now an industry standard in the Philippines. The Company also employs a branding strategy that focuses on strategic arrangements with key global franchises to help capture and sustain consumers' awareness. To date, CPGI has entered into agreements with Gianni Versace S.P.A., The Trump Organization, Paris Hilton, Missoni Homes, Yoo by Philippe Starck, Forbes Media Group LLC, and Giorgio Armani S.P.A, among others.

CPGI has marketed and sold to clients in more than 50 countries and, as a result, a significant portion of its residential properties are sold to Filipinos living abroad. International pre-sales accounted for approximately two-thirds of the total pre-sales, in terms of value, for each of the last three years. CPGI conduct its sales and marketing through the Company's extensive domestic and international network of 3,506 agents and brokers as of December 31, 2013.

KEY INVESTMENT HIGHLIGHTS

The Company believes that it can effectively compete in the industry because of the following strengths:

- Track record of delivering innovative products in the luxury, middle-income, and affordable segments
- Unparalleled international sales platform focused on the most resilient demand driver in the Philippines
- Significant pre-sold and financed projects that are expected to generate positive cash flow once the Company completes these projects and collects the turnover balances
- Experienced management team

A more detailed discussion of the Company's "Key Investment Highlights" may be found on page 96.

BUSINESS STRATEGY

The following are the strategies that the Company employs as it pursues its real property business:

- Maintain leadership in the luxury and middle-income segments, while diversifying into the affordable segment
- Diversification into commercial leasing developments to generate recurring and predictable income
- Ongoing implementation of an "asset light" and targeted land banking strategy
- Continue to expand its leading international sales and marketing presence
- Maintain relationships with key international brands and increase the number of collaborations
- Diversify funding sources

A more detail discussion of the Company's "Business Strategy" may be found on page 99.

SUMMARY FINANCIAL INFORMATION

The selected financial information set forth in the following tables has been derived from the Company's interim consolidated financial statements as of March 31, 2014, and its audited consolidated financial statements as of December 31, 2013, 2012, and 2011. This should be read in conjunction with the interim consolidated financial statements and audited consolidated financial statements annexed to this Prospectus, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein.

The Company's unaudited interim condensed consolidated financial statements were prepared in compliance with PAS 34, "Interim Financial Reporting", and were reviewed by SGV & Co., in accordance with Philippine Standard on Review Engagement ("PSRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The Company's audited consolidated financial statements were prepared in accordance with the Philippine Financial Reporting Standards and were audited by SGV & Co., in accordance with Philippine Standards on Auditing ("PSA").

The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In Million Pesos (₱)	**For the three months ended March 31**		**For the years ended December 31**		
	2014 Reviewed	**2013 Reviewed**	**2013 Audited**	**2012 Audited**	**2011 Audited**
Revenue					
Real estate sales	2,424	2,207	9,304	8,582	3,761
Property management fee and other services	72	64	254	222	192
Interest income from accretion	262	174	655	321	434
Interest and other income	76	152	566	486	316
Gain on change in fair value of derivative asset	43	-	30	-	-
Total Revenue	**2,877**	**2,598**	**10,809**	**9,611**	**4,702**
Cost and Expenses					
Cost of real estate sales	1,535	1,328	5,767	4,941	2,444
Cost of services	54	42	186	158	142
General, administrative and selling expenses	495	485	2,042	1,960	794
Interest and other financing charges	75	29	97	63	75
Total Cost and Expenses	**2,160**	**1,884**	**8,092**	**7,121**	**3,455**
Income Before Tax	**717**	**714**	**2,717**	**2,490**	**1,247**
Provision for Income Tax	**203**	**214**	**873**	**640**	**381**
Net Income	**514**	**500**	**1,845**	**1,850**	**866**
Other Comprehensive					

Income					
Unrealized gain (loss) on available-for-sale financial assets	-	-	1	-	-
Remeasurement Loss on Defined Benefit Plan	-	-	(26)	(22)	(9)
Total Comprehensive Income	**514**	**500**	**1,820**	**1,828**	**857**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

In Million Pesos (₱)	March 31, 2014 Reviewed	December 31, 2013 Audited	December 31, 2012 Audited	December 31, 2011 Audited
ASSETS				
Current Assets				
Cash and cash equivalents	915	1,439	902	367
Receivables	5,575	5,877	6,191	1,604
Real estate inventories	6,733	7,027	3,952	1,553
Land held for future development	86	86	1,196	1,306
Due from related parties	182	177	166	156
Advances to suppliers and contractors	1,372	1,315	925	2,300
Prepayments and other current assets	1,295	1,266	1,867	637
Derivative Asset	73	30	-	-
Total Current Assets	**16,231**	**17,217**	**15,199**	**7,922**
Noncurrent Assets				
Real estate receivables - net of current portion	3,450	3,217	589	371
Land held for future development - net of current portion	388	380	-	-
Investment in and advances to joint venture	54	49	-	-
Deposits for purchased land	220	154	-	-
Available-for-sale financial assets	9	9	8	10
Investment properties	4,191	4,081	1,920	1,119
Property and equipment	144	158	191	192
Intangible assets	36	18	3	3
Deferred tax assets - net	143	125	101	196
Other noncurrent assets	832	758	545	220
Total Noncurrent Assets	**9,467**	**8,949**	**3,357**	**2,111**
TOTAL ASSETS	**25,698**	**26,166**	**18,556**	**10,033**
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	3,601	4,629	2,869	968
Customers" advances and deposits	1,707	2,223	2,288	2,731
Short-term debt	716	580	352	16
Current portion of long-	1,767	1,178	388	369

term debt				
Due to related parties	31	32	113	115
Current portion of liability for purchased land	2	2	2	20
Income tax payable	9	6	98	149
Total Current Liabilities	**7,833**	**8,650**	**6,110**	**4,368**
Noncurrent Liabilities				
Long-term debt - net of current portion	3,965	4,281	2,922	497
Liability for purchased land - net of current portion	28	28	28	66
Pension liabilities	147	143	92	31
Obligations under finance lease	-	-	-	-
Deferred tax liabilities - net	1,775	1,629	1,163	749
Total Noncurrent Liabilities	**5,915**	**6,081**	**4,205**	**1,342**
Total Liabilities	**13,748**	**14,731**	**10,315**	**5,710**
Equity				
Capital stock	5,141	5,141	4,717	4,010
Additional paid-in capital	2,640	2,640	1,483	3
Treasury shares	(23)	(23)	-	-
Retained earnings	4,258	3,744	2,083	321
Equity reserve	(7)	(7)	(7)	-
Unrealized loss on available-for-sale financial assets	(3)	(3)	(5)	(4)
Remeasurement Loss on Defined Benefit Plan	(56)	(57)	(30)	(9)
Total equity attributable to Parent Company	**11,950**	**11,435**	**8,241**	**4,321**
Non-controlling interests	-	-	-	2
Total Equity	**11,950**	**11,435**	**8,241**	**4,323**
TOTAL LIABILITIES AND EQUITY	**25,698**	**26,166**	**18,556**	**10,033**

FINANCIAL RATIOS

As indicated	**For the three months ended March 31,**		**For the years ended December 31**		
	2014	**2013**	**2013**	**2012**	**2011**
EPS, basic / diluted (₱)	0.054	0.055	0.193	0.212	0.102
ROA	7.9%	10.2%	8.2%	12.9%	9.9%
ROE	17.6%	21.5%	18.8%	29.4%	23.8%
Interest coverage ratio (x)	12.2x	28.9x	94.0x	51.7x	21.8x
	March 31, 2014	**March 31, 2013**	**December 31, 2013**	**December 31, 2012**	**December 31, 2011**
Current ratio (x)	2.0x	3.2x	2.0x	2.5x	1.8x
Debt to equity ratio (x)	0.5x	0.4x	0.5x	0.4x	0.2x
Net debt to equity ratio (x)	0.5x	0.1x	0.4x	0.3x	0.1x
Asset to equity ratio (x)	2.2x	2.0x	2.3x	2.3x	2.3x
Total Liabilities / Total Equity	1.2x	1.0x	1.3x	1.3x	1.3x

Please refer to the section entitled "Selected Financial Information" located on page 132 of this Prospectus for further details.

SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus and in the Trust Indenture.

Issuer	Century Properties Group, Inc.
Instrument	SEC-registered Unsecured Fixed-Rate Peso-Denominated Retail Bonds (the "Bonds") of up to Two Billion Pesos (₱2,000,000,000) with an Oversubscription Option of One Billion Pesos (₱1,000,000,000)
Use of Proceeds	The net proceeds of the Offer shall be used to partially finance the Company's capital expenditures for the residential and commercial projects it plans to complete between 2017 to 2019 (see "Use of Proceeds" on page 53).
Offer Price	At par, or 100% of face value.
Manner of Distribution	The Bonds will be distributed to retail and/or qualified institutional investors via public offering.
Form and Denomination of the Bonds	The Bonds shall be issued in scripless form in denominations of ₱50,000, each as a minimum and in increments of ₱10,000 thereafter. Legal title to the Bonds shall be shown in the Register of Bondholders to be maintained by the designated Registrar.
Offer Period	Commencing at 9:00 am on 18 August 2014 and ending at 12:00 nn on 26 August 2014 or such earlier day or later day as maybe jointly determined by the Issuer, the Issue Manager and Underwriters.
Issue Date	2 September 2014
Maturity Dates	Three (3) years from the Issue Date or [2 September 2017] Five (5) years and six (6) months from the Issue Date or [2 March 2020] Seven (7) years from the Issue Date or [2 September 2021] *Provided* that, if such dates are declared to be a non-Business day, the Maturity Date shall be the next succeeding Business Day.
Interest Rate	Three (3) years: 6.0000% p.a. Five (5) years: 6.6878% p.a. Seven (7) years: 6.9758% p.a.
Interest Payment	Interest on the Bonds shall be calculated on the basis of a 30/360-day basis, and shall be paid quarterly in arrears commencing on 2 December 2014 for the first Interest Payment Date and on 2 March, 2 June, 2 September, and 2 December of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day without adjustment if such Interest Payment Date is not a Business Day. The last Interest Payment Date on the Bonds shall fall on the Maturity Date.
Final Redemption	The Bonds shall be redeemed at par, or 100% of face value, on

<table>
<tr><td></td><td>their respective Maturity Dates, unless CPGI exercises its early redemption option according to the conditions therefor (see “Description of the Bonds” - “Redemption and Purchase” on page 65).</td></tr>
<tr><td>Optional Redemption</td><td>The Issuer shall have the right, but not the obligation, to redeem in whole (and not in part), the outstanding Bonds on the following relevant dates. The amount payable to the Bondholders in respect of an Optional Redemption exercise shall be calculated, based on the principal amount of the Bonds being redeemed, as the sum of:

(i) accrued interest computed from the last Interest Payment Date up to the relevant Optional Redemption Date; and

(ii) the product of the principal amount of the Bonds being redeemed and the Optional Redemption Price in accordance with the following schedule:

<table>
<tr><th>Early Redemption Option Date on the Seven Year Bonds</th><th>Early Redemption Price</th></tr>
<tr><td>Five (5) Years and Six (6) Months from Issue Date</td><td>102.0%</td></tr>
<tr><td>Six (6) Years from Issue Date</td><td>101.0%</td></tr>
</table>

<table>
<tr><th>Early Redemption Option Date on the Five Year Bonds</th><th>Early Redemption Price</th></tr>
<tr><td>Three (3) Years and Six (6) Months from Issue Date</td><td>102.0%</td></tr>
<tr><td>Four (4) Years from Issue Date</td><td>101.0%</td></tr>
</table>

CPGI shall give not less than thirty (30) nor more than sixty (60) days prior written notice of its intention to redeem the Bonds, which notice shall be irrevocable and binding upon the Issuer to the effect such early redemption of the Bonds on the Optional Redemption Date stated in such notice.</td></tr>
<tr><td>Redemption for Tax Purposes</td><td>If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, on any Interest Payment Date (having given not more than 60 nor less than 30 days' prior written notice) at par, plus accrued interest.</td></tr>
<tr><td>Status of the Bonds</td><td>The Bonds shall constitute the direct, unconditional unsecured and unsubordinated, obligations of CPGI and shall at all times rank pari passu and ratably without any preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of CPGI, other than obligations preferred by law.</td></tr>
</table>

Negative Pledge	The Bonds will have the benefit of a negative pledge on all existing and future assets of the Issuer, subject to the exceptions provided for in the Trust Indenture Agreement, and Permitted Liens as defined in page 70.
Listing	The Issuer intends to list the Bonds in the PDEX on 2 September 2014
Governing Law	Republic of the Philippines
Issue Manager	BDO Capital & Investment Corporation
Joint Lead Underwriters, and Bookrunners	BDO Capital & Investment Corporation and The Hongkong and Shanghai Banking Corporation Limited
Registry and Paying Agent	Philippine Depository & Trust Corporation
Trustee	BDO Unibank, Inc. – Trust and Investment Group

RISK FACTORS

An investment in Bonds, as described in this Prospectus, involves a certain number of risks. The price of securities can and does fluctuate, and any individual security may experience upward or downward price movements and may lose part, or all, of its value over time. There is an inherent risk that losses may be incurred rather than profit, as a result of buying and selling securities. Past performance is not a guide to future performance and there may be a large difference between the buying price and the selling price of any security. The market price of the Bonds could decline due to any one of, but not limited to, the risks described herein, and all or part of an investment in Bonds could be lost.

Prior to making any investment decision, prospective investors should carefully consider all of the information in this Prospectus, including the risk factors described below.

This section entitled "Risk Factors" does not purport to be a comprehensive disclosure of all of the risks and other significant aspects of investing in these securities, but is intended to give a general idea to a prospective investor of the scope of risks involved in investing in the Bonds. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Company's business, results of operations, financial condition and prospects and on the Bonds in the future. Prospective investors may request publicly available information on the Bonds in the future from the SEC. Prospective investors should undertake their own independent research and study on the merits of investing, and subsequently, trading these securities. Prospective investors should seek professional advice if he or she is uncertain of, or has not understood any aspect of the Offer or the nature of risks involved in purchasing, holding and trading the Bonds. Each potential investor should consult its own counsel, accountant other than advisors as to legal, tax, business, financial and related aspects of an investment in the Bonds. CPGI, the Issue Manager, and the Underwriters do not make any warranty or representation on the marketability of an investment in the Bonds and the sustainability of the price of the Bonds. The risk factors discussed in this section are separated into categories for ease of reference and are enumerated in order of importance.

A. RISK FACTORS RELATING TO THE COMPANY AND ITS BUSINESS

1. Its portfolio of residential real estate property development projects exposes the Company to sector-specific risks.

CPGI's business is concentrated in the Philippine residential market. Therefore, reduced levels of economic growth, adverse changes in the country's political or security situation or weak performance of the country's property development market generally could materially and adversely affect its profitability. The Company's results of operations are dependent on the continued success of its development projects.

Additionally, the Philippine real estate industry is highly competitive. CPGI's projects are largely dependent on the popularity of its development when compared to similar types of developments in similar geographic areas, as well as on its ability to gauge correctly the market for its developments. Important factors that could affect the Company's ability to effectively compete include a development's relative location versus that of its competitors, particularly with regards to proximity to transportation facilities and commercial centers, as well as the quality of the developments and related facilities that it offers, pricing and the overall attractiveness of the development. The Company's inability to develop attractive projects could materially and adversely affect its business, financial conditions and results of operations.

To mitigate this risk, the Company is venturing into commercial leasing developments to reduce its dependence on the residential market. By venturing into commercial leasing, the Company hopes to be less exposed to the business cycles inherent in residential developments.

2. **All of the Company's properties are in the Philippines, particularly in the Metro Manila area, and it derives a significant portion of its revenues from the Philippines and, as a result, it is exposed to risks associated with the Philippines, including the performance of the Philippine economy.**

All of the Company's properties are in the Philippines, particularly in the Metro Manila area, and it derives a significant portion of its revenues from the Philippines. Accordingly, the Company is significantly influenced by the general state of the Philippine economy. In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the peso and the imposition of exchange controls. For companies in the real estate sector, demand for, and prevailing prices of, commercial and residential properties are affected by the strength of the Philippine economy (including overall growth levels and interest rates), the overall levels of business activity in the Philippines and the amount of remittances received from OFWs.

Demand for commercial and residential developments is also affected by social trends and changing spending patterns in the Philippines, which in turn are influenced by economic, political and security conditions in the Philippines. Moreover, extensive construction of condominium and housing units and other factors could lead to the risk of formation of asset bubbles in real estate. The Philippine residential housing industry is cyclical and sensitive to changes in general economic conditions in the Philippines such as levels of employment, consumer confidence and income, availability of financing for property acquisitions, construction and mortgages, interest rate levels, inflation and demand for housing. When the Philippines underwent financial and political crises in the past, demand for real estate dropped and consequently led to an oversupply in the market and reduced demand for new residential projects.

The recent global financial crises, which resulted in a general slowdown of the global economy, likewise, led to a decline in property sales in the Philippines. If changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the sale of properties, significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced and therefore could materially and adversely affect the Company's business, financial condition and results of operations.

3. **The Company is exposed to geographic portfolio concentration risks.**

Properties located in Metro Manila, the commercial capital of the Philippines, account for a substantial portion of the Company's real estate assets. Further, its current projects are all located within Metro Manila and, in particular, within relatively short distances from the traditional main business districts of Makati City, Ortigas Center and Fort Bonifacio. Due to the concentration of its property portfolio in Metro Manila, a decrease in property values in Metro Manila would have a material adverse effect on its business, financial condition and results of operations. As of late, the Company has contracted land further outside Metro Manila including Pampanga and Batangas. This allows the Company to mitigate geographic concentration risk.

4. **CPGI derives a significant portion of its revenue from OFWs, expatriate Filipinos, Balikbayans and other overseas buyers, which exposes the Company to risks relating to the performance of the economies where they are located.**

CPGI generates a significant portion of its revenues, particularly sales of its affordable and middle-income projects, from OFWs, expatriate Filipinos, Balikbayans and other overseas buyers. A number of factors could reduce the number of OFWs, remittances from OFWs or the purchasing power of expatriate Filipinos, Balikbayans and other overseas buyers. These include:

- a downturn in the economic performance of the countries and regions where a significant number of these potential customers are located, such as the United States, France, Italy, the United Kingdom, Hong Kong, Japan, Korea, Taiwan, Singapore, the United Arab Emirates, Qatar and Bahrain, among others
- a change in Government regulations that currently exempt the income of OFWs from taxation in the Philippines;
- the imposition of Government restrictions on the deployment of OFWs to particular countries or regions, such as the Middle East; and
- restrictions imposed by other countries on the entry or the continued employment of foreign workers.

Any of these events could adversely affect demand for the Company's projects from OFWs, expatriate Filipinos, Balikbayans and other overseas buyers, which could materially and adversely affect its business, financial condition or results of operations.

Despite the concerns about the sustainability of the overseas market, OFW remittances continued to increase from US$20.1 million in 2011 to US$21.4 million in 2012, and US$ 22.8 million in 2013. Furthermore, the Company has clients located in 50 different countries, hence it is not exposed to any single jurisdiction. As of December 2013, 35%. 13%, 11%, 5%, 8% of its sales are from Asia, North America, Europe, Middle East, and others respectively.

5. Since CPGI operates in a competitive industry, it might not be able to maintain or increase its market share, profitability and ability to acquire land for new projects.

CPGI operates in an extremely competitive business environment. The entry of new competitors could also reduce the Company's sales and profit margins.

The Company faces significant competition in connection with the acquisition of land for its real estate projects. Its growth depends significantly on its ability to acquire or enter into agreements to develop additional land suitable for its real estate projects. The Company may experience difficulty acquiring land of suitable size in locations and at acceptable prices, particularly land located in and near Metro Manila and in other urban areas in the Philippines. If it is unable to acquire suitable land at acceptable prices or to enter into agreements with joint venture partners to develop suitable land with acceptable returns, its growth prospects could be limited and its business, financial condition and results of operations could be adversely affected. See “Business – Land Bank” on page 113.

The Company believes it has strategically positioned itself at the upper end of each of the three residential segments it caters to, namely, affordable, middle income, and luxury markets. Furthermore, the Company strives to maintain the design and quality of its developments and is focused on being customer-centric.

6. The Company may not be able to successfully manage its growth.

CPGI intends to continue to pursue an aggressive growth strategy by increasing the amount of properties it develops and manages and by expanding into new market segments.

However, the Company might experience capital constraints, construction delays, operational difficulties at new locations or difficulties operating existing businesses and training personnel to manage and operate its business. Any inability to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated or at all. These problems could have a material adverse effect on the business, financial condition and results of operations of the Company.

The Company studies and analyzes its total capital and human resource requirements and attempts, to the best of its abilities, to allocate resources most prudently in order to complete its projects on time.

7. A real estate industry bubble is a type of economic bubble that may occur periodically, either locally, regionally or globally.

These bubbles may occur due to rapid rise in valuations of real property, which maybe unsustainable and maybe met with abrupt decline in property values. These bubbles may also occur due to increase in credit afforded to both developers that may cause overbuilding. Conversely, an increase in credit to end users may result in very high "loan to values". When these scenarios exists, it results in adverse economic effects, including, but not limited to, loan values to be higher than the value of real property, increase foreclosures of both commercial and residential properties, and a spillover effect to the general economy outside of the real estate industry. Some examples of real estate bubbles include the United States housing bubble, that transpired from 1997 until 2006.

To mitigate this risk, the Company controls the amount of inventory it builds. Century will only open for sale subsequent buildings in a master planned development, if it's precedent buildings in the same master planed development have been significantly pre-sold. Otherwise, the risk is capped to the precedent building. Further, Century collects at least 20% equity from its clients, thereby creating ceilings on loan to values of mortgages. The Bangko Sentral ng Philipinas (BSP) has introduced stricter rules on banks' real estate exposure in order to ensure lenders have enough capital to absorb any potential losses. These include, but are not limited to, creating a ceiling of banks' lending to the real estate industry, and setting aside enough capital in order to be able to withstand possible downturns in property values.

8. The Company might not be able to generate sufficient funds internally or through external financing to operate and grow its business as planned.

The real estate business is capital intensive and requires significant capital expenditures to develop and implement new projects and complete existing projects. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 136.

Historically, while the Company has funded a significant portion of its capital expenditure requirements internally from the pre-sales of its development projects, it has periodically utilized external sources of financing. However, it might not be able to continue funding its capital expenditure requirements internally or obtain sufficient funds externally on acceptable terms or at all. Its ability to raise additional equity financing from non-Philippine investors is subject to foreign ownership restrictions imposed by the Philippine Constitution and applicable laws. Its access to debt financing is subject to many factors, many of which are outside the Company's control. For example, political instability, an economic downturn, social unrest or changes in the Philippine regulatory environment could increase the Company's costs of borrowing or restrict its ability to obtain debt financing. In addition, the disruptions in the capital and credit markets may continue indefinitely, which could adversely affect its access to financing. Inability to obtain financing on acceptable terms would adversely affect the Company's ability to operate and execute its growth strategies.

The Company is endeavoring to broaden its sources of capital. While historically it has relied predominantly on pre-sales and bi-lateral loans, it has been able to diversify its sources of financing through the equity capital and syndicated loan markets.

9. The cancellation of sales of housing or condominium units could adversely affect business, financial condition and results of operations.

As a developer and seller of residential real estate, the Company's business, financial condition and results of operations could be adversely affected if a material number of housing or condominium unit sales are cancelled. Under Republic Act No. 6552 (the "Maceda Law"), which applies to all transactions or contracts involving the sale or financing of real estate through installment payments, buyers who have paid at least two years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. During the grace period, the buyer may pay the unpaid installments due, without additional interest. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments and who have defaulted on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without any right of refund. See "Regulatory and Environmental Matters" on page 124.

The Company could experience a material number of cancellations, particularly during slowdowns or downturns in the Philippine economy, periods when interest rates are high or similar situations. If the Company experiences a material number of cancellations, it may not have enough funds on hand to pay the necessary cash refunds to buyers, in which case it may have to incur indebtedness to pay such cash refunds, but it might not be able to obtain debt financing on reasonable terms or at all. In addition, particularly during an economic slowdown or downturn, it might not be able to able to resell the same property at an acceptable price or at all. Any of these events could have a material adverse effect on its business, financial condition and results of operations.

If the Company experiences a material number of sales cancellations, investors are cautioned that its historical revenue from its real estate sales would have been overstated because such historical revenues would not have accurately reflected subsequent customer defaults or sales cancellations. Investors are also cautioned not to rely on the Company's historical statements of income as indicators of future revenues or profits.

The Company attempts to mitigate this risk by collecting more equity from the buyer, subject to market demands and competitive factors. A material amount of its pre-sales are sold on the basis of collecting more than 20% from each buyer before project completion, with some projects charging as high as 50% buyer equity. The higher equity the Company collects from the buyer, the less chances a buyer defaults since such buyer has committed more capital to the unit purchase.

10. The interests of joint venture partners and landowners for development projects may differ from the interests of the Company and such joint venture partners and landowners may take actions that adversely affect the Company.

The Company entered into joint venture agreements and Contracts to Sell with various parties as part of its overall land acquisition strategy, property development and property management, and intends to continue to do so. Under the terms of the joint venture agreements, the Company is responsible for project development, project sales and project management, while its joint venture partners typically supply the project land. Under the terms of the Contracts to Sell, the Company shall pay the purchase value of the land on staggered basis, and in certain transactions, pay in addition proportionate payments dependent on generated sales.

A joint venture or acquisition of land via Contracts to Sell involve additional risks where the joint venture partners or landowners may have economic or business interests or goals that differ from the Company's. For example, the joint venture partners or landowners may withhold certain key information relating to the land that the Company may not be able to discover after conducting due diligence and such information could affect its right to possess and develop such land.Titles over the land, although already in the name of the joint venture partners or landowners, may still be contested by third parties.The joint venture partners or landowners may also take actions contrary to the Company's instructions or requests, or in direct opposition to its policies or objectives with respect to its investments or with respect to the project land, or dispute the distribution of joint venture shares or installment payments. The joint venture partner may also not meet its obligations under the joint venture agreement. Disputes between the Company and its joint venture partners or the landowner could arise after significant capital investments in a project have been made, which could result in the loss of some or all of the Company's investments in the project. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations. See “Business – Land Acquisition” on page 115.

The Company conducts due diligence and performs contract management on its joint ventures partners to reduce this risk.

11. The Company uses celebrities and international brands to design, market and sell some of its properties.

The Company depends on its relationships with celebrities and international brands to design, market and sell some of its properties. It frequently enters into design or licensing agreements with celebrities and well-known brands in which the celebrities provide branding, promotional and design expertise and the Company agrees to pay design and licensing fees, and sometimes enter into revenue sharing plans. Circumstances beyond the Company's control could decrease the popularity of the celebrities and brands with whom it partners, which could in turn adversely affect the Company's marketing and sales efforts and its reputation.

The Company is not exposed to a single brand to design, market and sell its projects. Furthermore, the Company conducts due diligence and performs contract management on its partner brands to reduce this risk.

12. The Company is controlled by CPI, which is in turn, controlled by the Antonio family. Hence the interests of the Antonio family may differ significantly from the interests of other shareholders.

Members of the Antonio family indirectly own a majority of the Company's issued and outstanding shares. Accordingly, the Antonio family will be able to elect a majority of the Board and determine the outcome of many significant matters voted on by shareholders. Members of the Antonio family also serve as directors and executive officers. The Antonio family could also take advantage of business opportunities that may otherwise be attractive to the Company. The interests of the Antonio family may differ significantly from or compete with the interests of the Company and other shareholders, and the Antonio family may vote their shares in a manner that is contrary to the interests of the Company or the interests of other shareholders.

The Company is currently increasing its professional management. See “Directors, Executive Officers, and Control Persons” on page 156. The Company has already hired professionals responsible for key parts of the business, including the heads of retail leasing, and hospitality and investor relations.

13. **The Company is highly dependent on certain directors and members of senior management.**

The Company's directors and members of senior management have been an integral part of its success and the experience, knowledge, business relationships and expertise that would be lost if any such persons depart or take on reduced responsibilities could be difficult to replace and may adversely affect its operating efficiency and financial performance. In particular, members of the Antonio family fill certain key executive positions and the Company may not be successful in attracting and retaining executive talent to replace these family members if they depart or take on reduced responsibilities.

Such executives include: Jose E.B. Antonio, Chairman, President and Chief Executive Officer; John Victor R. Antonio, Co-Chief Operating Officer and Managing Director; Jose Marco R. Antonio, Co-Chief Operating Officer and Managing Director; Jose Roberto R. Antonio, Managing Director; Jose Carlo R. Antonio, Chief Financial Officer; Rafael G. Yaptinchay, Treasurer; and Ricardo P. Cuerva, President of Century Project Management and Construction Corporation ("CPMCC"), the company exclusively charged with managing the construction projects for CPGI's vertical developments. CPGI does not carry insurance for the loss of the services of any of the members of its management. If it loses the services of any such person and are unable to fill any vacant key executive or management positions with qualified candidates, it could have a material adverse effect on business, financial condition and results of operations.

The Company is will initiate succession planning initiatives in order to reduce this risk.

14. **The Company may be unable to attract and retain skilled professionals, such as architects and engineers.**

The Company believes that there is significant demand for its skilled professionals from its competitors. Its ability to retain and attract highly skilled personnel, particularly architects, engineers and sales and marketing professionals, affects its ability to plan, design, execute, market and sell projects. In particular, any inability on the Company's part to hire and retain qualified personnel could impair its ability to undertake project design, planning, execution and sales and marketing activities in-house and could require it to incur additional costs by having to engage third parties to perform these activities.

15. **The Company may not be able to hire independent contractors that meet its requirements.**

The Company relies on independent contractors to provide various services, including land clearing and infrastructure development, construction works and building and property fitting-out works. It selects independent contractors principally by conducting tenders and taking into consideration factors such as the contractor's experience and track record, its financial and construction resources, any previous relationships with the Company and its reputation for quality. However, the Company might not be able to find a suitable independent contractor who is willing to undertake a particular project within its budget and schedule. This may result in increased costs for the Company or delays in the project. Also, the services independent contractors render might not be satisfactory or match the Company requirements for quality. Contractors may also experience financial or other difficulties, such as shortages in, or increases in the price of, construction materials, which in turn could delay the completion of the project or increase the costs for the Company. Any of these factors could have a material adverse effect on business, financial condition, and results of operations.

The Company prudently selects its network of accredited contractors, and monitors the development of each project from project inception, up to project turnover.

16. Construction defects and building-related claims may be asserted against the Company, and it may be involved in litigation, which could result in financial losses or harm to its business.

Under Philippine law, the engineer or architect who drew up the plans and specifications for a building is liable for damages if within 15 years from the completion of the structure, it collapses by reason of a defect in those plans and specifications or due to the defects in the ground. The action must commence within 10 years following the collapse of the building. Thus, if the architect or engineer is one of the Company's employees, it may be held liable for damages if any of its buildings collapse. It may also be held responsible for hidden (that is, latent or non-observable) defects in the housing and condominium units it sells if such hidden defects render a unit unfit for the use for which it was intended or if its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. This warranty may be enforced within six months from the delivery of the house to the buyer. In addition, the National Building Code of the Philippines (the “Building Code”), which governs, among others, the design and construction of buildings, sets certain requirements and standards that the Company must comply with. The Company may be held liable for administrative fines or criminal penalties in case of any violation of the Building Code. Likewise, it could be held liable for the damages mentioned above, the cost of repairs and the expense of litigation surrounding such claims. Claims could also arise out of uninsurable events or circumstances not covered by the Company's insurance. Significant claims arising from structural or construction defects could have a material adverse effect on the Company's reputation and business, financial condition and results of operations. It may also be implicated in lawsuits on an ongoing basis. Litigation could result in substantial costs to, and a diversion of effort by, the Company and subject it to significant liabilities, including potential defaults under its present debt covenants. Legal proceedings could materially harm its business and reputation, and it may be unable to recover any losses incurred from third parties, regardless of whether or not the Company is at fault. Losses relating to litigation could have a material adverse effect on the business, financial condition and results of operation, and provisions made for litigation related losses might not be sufficient to cover losses.

The Company prudently selects its network of accredited contractors, and monitors the development of each project from project inception, up to project turnover. The Company also protects majority of its construction interests with an all-risk insurance policy for construction.

17. Third parties may contest the Company's titles to its properties.

While the Philippines has adopted the Torrens System, a system of land registration which is intended to conclusively confirm land ownership by providing a state guarantee of indefeasible title to those in the register, and which is binding on all persons (including the Government), it is not uncommon for third parties to claim ownership of land which has already been registered in favor of another. In particular, Quezon City, Metro Manila and the province of Cavite, have been known to experience problems with syndicates of squatters and forged or false title holders. There have been cases where third parties have produced false or forged title certificates over land and there are difficulties in obtaining title guarantees with respect to property in the Philippines. Title to land is often fragmented and land may have multiple owners. Land may also have irregularities in title, such as non-execution or non-registration of conveyance deeds, and may be subject to liens, encumbrances or claims of which the Company may be unaware. The difficulty of obtaining title guarantees in the Philippines means that title records provide only for presumptive rather than guaranteed title. As each transfer in a chain of title may be subject to a variety of defects, the Company's title and development rights over land may be subject to various defects of which it is unaware. For these and other reasons, title insurance is not readily available in the Philippines. Title defects may result in the loss of the Company's title over land.

From time to time, the Company may be required to defend itself against third parties who claim to be the rightful owners of land that it acquires. If third-party claims for title are brought against the Company, or if any such claim involves land that is material to its projects, it may have to devote significant time and incur significant costs in defending itself against such claims. Such claims could also affect its ability to develop land for particular projects by causing the relevant Governmental Authority to delay or prevent continued business operations on the property or withhold required permits or clearances until such claim is definitively resolved. In addition, if any such claims are successful, the Company may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material for its projects. In addition, title claims made by third-parties against the Company or its joint venture partners may have an adverse effect on its reputation. Any of the foregoing circumstances could have a material adverse effect on business, financial condition and results of operation, as well as on the Company's reputation. Any successful claim against the Company or its joint venture partners may affect its ability to deliver its developments on time and free and clear of any liens or encumbrances.

The Company mitigates this risk, to the extent it can, by having joint venture partners indemnify the Company in the event third parties are successful in their claim. To the extent the title belongs to the Company and not its joint venture partners, it conducts very thorough due diligence on titles. Notwithstanding due diligence, to extent there are still third party claims, the Company assesses the risks and possible solutions to eventually have titles without adverse claims.

18. The Company faces risks relating to its property development, including risks relating to project cost, completion time frame and development rights.

The property development business involves significant risks distinct from those involved in the ownership and operation of established properties, including the risk that it may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales and which may not be commercially viable. In addition, obtaining required Government approvals and permits may take substantially more time and resources than anticipated or construction of projects may not be completed on schedule and within budget. In addition, the time and costs involved in completing the development and construction of real estate projects can be adversely affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, depreciation of the peso, natural disasters, disputes with contractors and subcontractors, accidents, changes in laws, land zoning, use and classification, or in Government priorities and other unforeseen problems or circumstances, and each of these could have an adverse effect on the Company's revenues. Where land to be used for a project is occupied by tenants or squatters, the Company may have to take steps, and incur additional costs, to remove such occupants and, if required by law, to provide relocation facilities for them. Any of these factors could result in project delays and cost overruns, which could negatively affect margins and delay when it recognizes revenue. Further, failure to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns. In addition, orders of the Department of Agrarian Reform allowing conversion of agricultural land for development may require a project to begin by a prescribed deadline. These events could materially and adversely affect business, financial condition or results of operations.

The Company prudently monitors the development of each stage of each project, from project inception, up to project turnover, to quickly address possible cost and completion risks.

19. The Company's reputation may be adversely affected if it does not complete projects on time or to customers' requirements.

If the Company's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues or other problems, this could have a negative effect on its reputation and make it more difficult to attract new customers to new and existing development projects. Any negative effect on its reputation could also adversely affect its ability to pre-sell its development projects. This in turn could adversely impact its capital investment requirements. Any of these events could adversely affect business, results of operations or financial condition.

The Company prudently monitors the development of each stage of each project, from project inception, up to project turnover, to quickly address possible cost and completion risks.

20. The Company operates in a highly-regulated environment and must obtain and maintain various permits, licenses and other governmental approvals.

The Philippines' property development industry is highly regulated. The development of subdivision and other residential projects is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects that are to be located on agricultural land must get clearance from the Department of Agrarian Reform so that the land can be re-classified as non-agricultural land and, in certain cases, tenants occupying agricultural land may have to be relocated at the developer's expense.

Presidential Decree No. 957, as amended, ("PD 957"), Republic Act No. 4726 ("RA 4726") and *Batas Pambansa Blg*. 220 ("BP 220") are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. PD 957, RA 4726 and BP 220 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes. The Housing and Land Use Regulatory Board ("HLURB") is the administrative agency of the Government which enforces these statutes. Regulations applicable to its operations include standards regarding:

- the suitability of the site;
- road access;
- necessary community facilities;
- open spaces;
- water supply;
- sewage disposal systems;
- electricity supply;
- lot sizes;
- the length of the housing blocks;
- house construction;
- sale of subdivision lots or condominium units; and
- time of completion of construction projects.

All subdivision and condominium development plans are required to be filed with and approved by the local government unit ("LGU") with jurisdiction over the area where the project is located and by the HLURB. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of (1) the relevant LGU; (2) the HLURB; (3) for subdivisions, the duly organized homeowners association, or if none, the majority of the lot buyers; and (4) for condominiums, a majority of the registered owners. In addition, owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of subdivision lots and housing and condominium units. The HLURB can suspend, cancel or revoke project permits and licenses to sell based on its own findings or upon complaint from an interested party. The Company is in the process of obtaining licenses to sell and building permits for some of its current projects. It may not be able to obtain these licenses and permits within the time period expected or at all.

Any of the foregoing circumstances or events could impair the Company's ability to complete projects on time, within budget or at all, or sell units in its projects, which in turn could materially and adversely affect its business, financial condition and results of operations.

21. Environmental laws applicable to the Company's projects could have a material adverse effect on its business, financial condition or results of operations.

In general, developers of real estate projects are required to submit project descriptions to regional offices of the Department of Environment and Natural Resources ("DENR"). For environmentally-critical projects or for projects located in environmentally-critical areas as identified by the DENR, a detailed Environmental Impact Assessment ("EIA") may be required and the developer will be required to obtain an Environmental Compliance Certificate ("ECC") to certify that the project will not have an unacceptable environmental impact. Current or future environmental laws and regulations applicable to the Company could increase the costs of conducting its business above currently projected levels or require future capital expenditures. In addition, if a first violation of an ECC occurs or if environmental hazards on land where its projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties, however, on subsequent violations, an ECC may be revoked and operations may be stopped. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. See "Regulatory and Environmental Matters" on page 124. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the business could materially and adversely affect the business, financial condition or results of operations.

22. Natural or other catastrophes, including severe weather conditions, may materially disrupt operations, affect the ability to complete projects and result in losses not covered by insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, floods, droughts, volcanic eruptions and earthquakes. Natural catastrophes may disrupt business operations and impair the economic conditions in the affected areas, as well as the overall Philippine economy. These factors could have significant adverse effects on the Company's development projects, which may be susceptible to damage. Damages resulting from natural catastrophes could also give rise to claims against the Company from third parties or from customers, for example, for physical injury or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect its business, financial condition and results of operations.

Furthermore, the Company cannot obtain insurance at a reasonable cost or at all for certain types of losses from natural and other catastrophes. Neither does it carry any business interruption insurance. If an uninsured loss or a loss in excess of insured limits occurs, it could lose all or a portion of the capital invested in a property, as well as the anticipated revenue from such property, and incur liabilities for any project costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect the business, financial condition and results of operations.

23. The Company uses third-party non-exclusive brokers to market and sell some of its projects.

Although exclusive sales agents are responsible for a significant portion of the Company's sales, it also uses third-party non-exclusive brokers to market and sell some of its residential housing developments to potential customers inside and outside the Philippines. These brokers may also act as brokers for other developers in the same markets in which the Company operates, and they may favor the interests of their other clients over the Company's interests in sale opportunities, or otherwise fail to act in the Company's best interests. There is competition for the services of third-party brokers in the Philippines, and many of the Company's competitors either use the same brokers as it does or attempt to recruit brokers away from it. If a large number of these third-party brokers were to terminate or breach their brokerage agreements, the Company would need to seek other third-party brokers and it may not be able to do so quickly or in sufficient numbers. This could disrupt its business and negatively affect business, financial condition or results of operation.

Notwithstanding the prescence of non exclusive brokers, materially all sales of the Company are coursed and booked through the Company's in house Vice Presidents of sales, who are Company employees thus having more control of its distribution network.

24. The Company is exposed to risks relating to the ownership and operation of commercial real estate.

The Company is subject to risks relating to ownership and management of commercial real estate. Specifically, the performance of its subsidiary CPMI could be affected by a number of factors, including:

- the national and international economic climate;
- trends in the commercial property industry;
- changes in laws and governmental regulations in relation to real estate;
- increased operating costs;
- the inability to collect rent due to bankruptcy of tenants or otherwise;
- competition for tenants;
- changes in market rental rates;
- the need to periodically renovate, repair and re-let space and the costs thereof;
- the quality and strategy of management; and
- the Company's ability to provide adequate maintenance and insurance.

The Company could be further affected by tenants failing to comply with the terms of their leases or commitments to lease, declining sales turnover of tenants, oversupply of or reduced demand for commercial space or changes in laws and governmental regulations relating to real estate including those governing usage, zoning, taxes, and government charges. If the Company is unable to lease the properties that it owns or manages in a timely manner, or collect rent at profitable rates or at all, this could have a material adverse effect on its business, financial condition and results of operation.

25. The change of policy regarding transactions subject to VAT could adversely affect the sales of the Company.

Sales of residential lots with a gross selling price of ₱1,915,500 or less and sales of residential houses and lots with a gross selling price of ₱3,199,200 or less are currently not subject to VAT of 12%. If these sales become subject to VAT, the purchase prices for the Company's residential lots and housing units will increase, which could adversely affect its sales. Because VAT affects general levels of spending in the Philippines and the prices of subdivision lots and houses, any adverse change in the Government's VAT-exemption policy could have an adverse effect on the Company's results of operations.

The majority of the Company's existing projects are already over P3,199,200, hence most of its current projects are already subject to VAT.

26. Increases in interest rates and changes in Government borrowing patterns and Government policies could adversely affect the Company's and its customers' ability to obtain financing.

Increases in interest rates, and factors that otherwise impair the availability of credit, such as the Government's fiscal policy, could have a material adverse effect on the Company's business and demand for its property developments. For example:

- Higher interest rates make it more expensive for the Company to borrow funds to finance current projects or to obtain financing for new projects.
- Access to capital and the cost of financing are also affected by restrictions, such as the single borrower limit imposed by the BSP on bank lending. The total amount of loans, credit accommodations and guarantees that may be extended by a bank to any person, partnership, association, corporation or other entity shall at no time exceed 25% of the net worth of such bank. This may be increased by an additional 10% of the net worth of the bank provided that the additional liabilities are secured by trust receipts, shipping documents, warehouse receipts or other similar documents transferring or securing title covering readily marketable, non-perishable goods which must be fully covered by insurance. If the Company reaches the single borrower limit with respect to any bank, it may have difficulty obtaining financing with reasonable interest rates from other banks.
- Because a substantial portion of customers procure financing to fund their property purchases, higher interest rates make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential developments.
- Increases in Government borrowing in the domestic currency market could increase the interest rates banks and other financial institutions charge and reduce the amount of financing available to the Company and prospective property purchasers of its property.
- Increased inflation in the Philippines could result in an increase in the costs of raw materials, which the Company may not be able to pass on to customers through increased prices.
- Increases in the Government's budget deficit could increase interest rates and inflation, which could in turn have a material adverse effect on its customers' ability to obtain financing on attractive terms.

The occurrence of any of the foregoing events could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is attempting to lock in long term financing, and reduce its reliance on shorter term financing. The US dollar tranche of the syndicated term loan that the Company entered to last year is being hedged into long term rates, and this bond will allow the Company to further reduce the potential variability in interest rates.

27. Any restriction or prohibition on the Company's Subsidiaries' ability to distribute dividends would have a negative effect on its financial condition and results of operations.

As a holding company, the Company conducts its operations through its Subsidiaries. As a result, it derives most of its revenues from dividends from its Subsidiaries. It relies on these funds for compliance with its own obligations and for financing its Subsidiaries. Further, the ability of its Subsidiaries to upstream dividends is subject to applicable laws and may be subject to restrictions contained in loan agreements and other debt instruments they are party to. See “Dividends and Dividend Policy” on page 131.

Any restriction or prohibition on the ability of any of the Subsidiaries to distribute dividends or make other distributions to the Company, either due to regulatory restrictions, debt covenants, operating difficulties or other limitations, could have a negative effect on its cash flow and therefore may adversely impact its financial condition and results of operations.

28. A proposed new accounting rule on the recognition of revenue from construction of real estate may materially change the way the Company records revenue in its financial statements and could result in its revenue being lower and more volatile than under its current reporting method.

Under PFRS, real estate companies such as the Company are allowed to recognize revenues from construction of real estate based on a percentage of completion method, wherein a portion of the sales price is recognized as revenue once a certain percentage of payment has been received from buyers, but before the real estate project’s construction has been completed. International Financial Interpretations Committee’s (“IFRIC”) Interpretation No. 15 on Agreements for the Construction of Real Estate (“IFRIC 15”), will require real estate companies to recognize, subject to certain exceptions, revenue from real estate only when construction of the real estate asset has been completed. IFRIC 15 was initially scheduled to take effect from January 1, 2012, although its adoption has been delayed and is currently expected to take effect from January 1, 2015.

If IFRIC 15 takes effect in its proposed form, revenue and certain other items in the Company's financial statements may vary significantly from previously recorded amounts using its current revenue recognition policy. In addition, for periods in which it applies the new revenue recognition policy, the Company would expect that it would not count revenue recognized in previous periods under its current revenue recognition policy. Accordingly, its revenue in some future periods could be lower than they would otherwise be under the proposed new policy because it would have previously recognized revenue from pre-completion sales under its current policy. The adoption of IFRIC 15 will also likely result in greater fluctuations in the Company's revenues in a given period, depending on the number of properties it is able to actually complete within such period. As a result, IFRIC 15 may also affect the comparability of its future financial statements with those relating to prior periods.

The adoption of IFRIC 15 may also result in restatements to the Company's financial statements disclosed prior to the adoption of IFRIC 15. As a result, there may be significant differences between its previously disclosed financial statements and any restated financial statements. These changes would adversely affect the comparability of its future financial statements with those relating to prior periods.

The Company is assessing the potential impact of this change to its financial results.

29. The Company is subject to certain debt covenants.

The Company has certain loan agreements which contain covenants that limit its ability to, among other things:

- Incur additional long-term debt to the extent that such additional indebtedness results in a breach of the required debt-to-equity ratios;
- Materially change its nature of business;

- Encumber, mortgage or pledge some of its assets; and
- Pay out dividends in the event debt payments are in arrears and such debt payments will result in the breach of its required current and debt-to-equity ratios.

Complying with these covenants may cause the Company to take actions that it otherwise would not take or not take actions that it otherwise would take. The Company's inability and/or failure to comply with these covenants would cause a default, which, if not waived could result in the debt become immediately due and payable. In the likelihood of this event, the Company may not be able to repay or refinance such debt on terms that are acceptable to CPGI or at all.

The Company complies with its debt obligations by adopting the necessary internal controls in financial management and adopting corporate governance policies in order to comply with its debt covenants.

30. The Company shall, at any given time, consider business combination alternatives.

Although some of the Company's debt covenants contain certain restrictions on business combinations, CPGI may consider engaging in certain types of business combinations. Business combinations involve financial and operational risks and could result in critical changes to the Company's business, management and financial condition.

The Company will of course take into consideration its existing debt obligations and corresponding debt covenants before pursuing any major business investments or acquisitions. Further, prior to undertaking any business combination, the Company will assess and attempt to mitigate the business and financial risks, which may include the hiring of third party legal and financial consultants.

31. The Company is exposed to Interest Rate, Liquidity, Credit and Commodity Risks

The Company's principal financial instruments consist of cash on hand and in banks, cash equivalents, receivables from installment sales and due from and to affiliated companies and credit facilities from commercial banks. CPGI use these financial instruments to fund its business operations. The Company The Company has entered into Master Agreements under the Interntational Swaps and Derivatives Association Inc. with third parties.

The Company believes that the principal risks arising from its financial instruments are interest rate risk, liquidity risk, credit risk and commodity risk. Because the assets, liabilities, revenue and costs are mostly peso-denominated, the Company believes that it does not have significant exposure to foreign exchange risk.

Interest Rate

Fluctuations in interest rates could negatively affect the potential margins in respect of the Company sales of receivables and could make it more difficult for the Company to procure new debt on attractive terms or at all. The Company does not engage in interest rate derivative or swap activities to hedge its exposure to increases in interest rates.

Fluctuations in interest rates also have an effect on demand for the Company's products. As most of its customers obtain some form of financing for their real estate purchases, increases in interest rate levels could adversely affect the affordability and desirability of the Company's subdivision lots and housing and condominium units.

Liquidity

The Company faces the risk that it will not have sufficient cash flows to meet its operating requirements and financing obligations when they become due. The Company manages its liquidity profile by pre-selling housing projects. In addition, the Company's receivables backed credit facilities with banks and other financial institutions under the terms of which the Company, from time to time, assign installment contract receivables on a "with recourse" basis. The Company is typically required to replace receivables assigned on a "with recourse" basis if the property buyer fails to pay three consecutive installments or when the sale is otherwise cancelled.

If the Company is unable to maintain its credit lines with banks and other financial institutions, it may not have sufficient funds to meet its operational requirements.

The Company is endeavoring to broaden its sources of capital. While historically it has relied predominantly on pre-sales and bi-lateral loans, it has been able to diversify its sources of financing through the equity capital and syndicated loan markets.

Credit Risk

The Company and its Subsidiaries are exposed to credit risk from defaults by purchasers on their mortgages during the pre-sale periods for its properties. In 2007, the Company began to guarantee the mortgages of purchasers of uncompleted projects. Accordingly, if a purchaser who has a mortgage on an uncompleted project defaults on the mortgage, and the Company is not able to find a replacement purchaser, or if the Company or its Subsidiaries fails in an undertaking with the bank, including delivering the property and title to such property within the mutually agreed period, the Company is obligated to pay the mortgage.

The Company mitigates this risk by completing projects on time, and providing mortgage banks collateral documents promptly.

Commodity Risk

The Company is exposed to the risk that prices for construction materials used to build its properties (including timber, cement and steel) will increase. These materials are global commodities whose prices are cyclical in nature and fluctuate in accordance with global market conditions. The Company and its Subsidiaries are exposed to the risk that it may not be able to pass increased commodities costs to customers, which would lower the Company's margins. The Company and its Subsidiaries does not engage in commodity hedging, but the Company attempts to manage commodity risk by requiring its internal procurement group to supply raw materials for the relevant construction and development projects.

32. The Company may suffer losses that are not covered by its insurance.

The Company may be negatively affected due to the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events. Although the Company carries an all-risk insurance policy for all its current and ongoing projects against catastrophic events and business interruption insurance for Century City Mall, in amounts and with deductibles that the Company believes are in line with general real estate industry practice, not all risks can be insured against. There are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property as well as the anticipated future turnover from the property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

B. RISKS RELATING TO THE PHILIPPINES

1. Substantially all of the Company's business activities and assets are based in the Philippines, which exposes it to risks associated with the country, including the performance of the Philippine economy.

Historically, the Company has derived all of its revenues from the sale of real estate and the management of properties in the Philippines and, as such, its business is highly dependent on the state of the Philippine economy. Demand for residential real estate is directly related to the strength of the Philippine economy (including its overall growth and income levels), the overall levels of business activity in the Philippines. Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally;
- exchange rate fluctuations;
- inflation or increase in interest rates;
- levels of employment, consumer confidence and income;
- changes in the Government's fiscal policies;
- a re-emergence of SARS, avian influenza (commonly known as bird flu), or H1N1, or the emergence of another similar disease in the Philippines or in other countries in Southeast Asia;
- natural disasters such as tsunamis, typhoons, earthquakes, fires and floods;
- political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- other regulatory, social, political or economic developments in or affecting the Philippines.

If the Philippines' economy experiences weakness due to any of the foregoing or other reasons, it could materially and adversely affect business, financial condition or results of operations.

2. Any economic and political instability in the Philippines may adversely affect business, results of operations or financial condition.

The Philippines has from time to time experienced political and military instability. Under the previous administration, allegations of corruption and other misconduct brought about a series of public protests and failed military uprisings. Elections in May 2010 brought in the administration of President Benigno S. Aquino III. Despite relatively high popularity ratings, strong congressional and military support and a persistent anticorruption campaign, political stability in the country might not be maintained. Leadership change and shifting political alliances could alter national and local political dynamics and result in changes of policies and priorities. In addition, organized armed threats from communist insurgents and Muslim separatists persist in certain parts of the country. A lasting peace agreement might not be achieved. Any of these political risks could materially and adversely affect business, financial condition or results of operations.

Further, on December 12, 2011, the House of Representatives initiated impeachment proceedings against Renato Corona, Chief Justice of the Supreme Court of the Philippines.

The impeachment complaint accused Corona of improperly issuing decisions that favored former President Arroyo, as well as failure to disclose certain properties, in violation of rules applicable to all public employees and officials. The trial of Chief Justice Corona began in January 2012 and ended in May 2012, with Corona found guilty with respect to his failure to disclose to the public his statement of assets, liabilities, and net worth, and was impeached. In July 2013, a major Philippine newspaper exposed a scam relating to the diversion and misuse of the Priority Development Assistance Fund ("PDAF") by some members of Congress through pseudo-development organizations headed by Janet Lim Napoles. As a result of this exposé, a number of investigations, including one in the Senate, have been launched to determine the extent of the diversion of the PDAF and the government officials and the private individuals responsible for the misappropriation of public funds. On September 16, 2013, cases of plunder and malversation of public funds were filed with the Office of the Ombudsman against Janet Lim Napoles, three Senators, a few members of the House of Representatives and other government personnel, and with the Sandiganbayan on June 6, 2014.

The growth and profitability of the Company, as any business for that matter, is greatly influenced by the economic situation of the Philippines. Any economic instability in the future may have a negative effect on the financial results of CPGI.

Over the years, the Philippines has experienced periods of slow or negative growth, high inflation, unforeseen devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and significant rise in oil prices. The Asian financial crisis in 1997 resulted in higher interest rates, slower economic growth, and a significant reduction in the country's credit ratings which ultimately resulted in the depreciation of the Peso.

In order to combat the negative impact of the financial crisis, the government introduced reform measures in the fiscal and banking sectors resulting in improved investor confidence and increased economic activities.

Given that demand for commercial and residential developments are affected by social trends and changing spending patterns in the Philippines, the influence of economic, political and security conditions in the Philippines may affect the Company's financial condition and operations even if CPGI continues to adopt conservative policies to protect its operations and finances.

3. **Acts of terrorism and violent crimes could destabilize the Philippines and have a material adverse effect on business and financial results.**

The Philippines has been subject to a number of terrorist attacks since 2000. In recent years, the Philippine army has also been in conflict with the Abu Sayyaf organization, which has ties to the al-Qaeda terrorist network, and has been identified as being responsible for certain kidnapping incidents and other terrorist activities, particularly in the southern part of the Philippines.

Moreover, isolated bombings have taken place in the Philippines in recent years, mainly in cities in that part of the country. On January 25, 2011, a bomb was detonated in a bus in the northern city of Makati City, Metro Manila, killing five persons. Although no one has claimed responsibility for these attacks, it is believed that the attacks are the work of various separatist groups, possibly including the Abu Sayyaf organization. On November 27, 2011, a powerful bomb was detonated at a hotel in the southern port city of Zamboanga and two explosive devices were discovered and diffused on the nearby island of Basilan. Abu Sayyaf is believed to have been responsible for both incidents. Further terrorist acts could destabilize the Philippines, and adversely affect the country's economy.

There have also been a number of violent crimes in the Philippines, including the August 2010 incident involving the hijacking of a tour bus carrying 25 Hong Kong tourists in Manila, which resulted in the death of eight tourists. High profile crimes have, in the past, had a material adverse effect on investment and confidence in, and the performance of, the Philippine economy.

The Government of the Philippines and the Armed Forces of the Philippines ("AFP") have clashed with members of several separatist groups seeking greater autonomy, including the Moro Islamic Liberation Front ("MILF"), the Moro National Liberation Front ("MNLF") and the New People's Army. On October 19, 2011, 19 AFP troops were killed in a firefight with MILF members in the southern Philippines. On December 16, 2011, five AFP soldiers were killed in a clash with New People's Army members. In August 2013, a series of bombings occurred in the cities of Cagayan de Oro and Cotabato City, as well as other areas in Maguindanao and North Cotabato provinces, all located in Mindanao, and in September 2013, armed clashes took place between the MNLF and the Philippine military in Zamboanga City in Mindanao, with a number of civilians being held hostage.

These continued conflicts between the Government and separatist groups could lead to further injuries or deaths by civilians and members of the military, which could destabilize parts of the country and adversely affect the country's economy.

There can be no assurance that the Philippines will not be subject to further acts of terrorism or violent crimes in the future, which could have a material adverse effect on the Company's business, financial conditions, and results of operations.

4. Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes. In October 2013, a 7.2 magnitude earthquake affected the island of Bohol. On November 8, 2013, Typhoon Yolanda hit the Philippines' Visayas region, particularly Samar and Leyte, leaving more than 5,000 people dead, many people homeless and an estimated $2.4 billion in damages. It is the strongest storm recorded at landfall and the fourth strongest typhoon recorded in terms of wind speed. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Company's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's development projects, many of which are large infrastructure, such as buildings, which are susceptible to damage.

Damage to these structures resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers, for example for physical injuries or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect the Company's business, financial condition and results of operations. Further, the Company does not carry any insurance for certain catastrophic events, and there are certain losses for which the Company cannot obtain insurance at a reasonable cost or at all. The Company also does not carry any business interruption insurance. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from such property, while remaining liable for any project construction costs or other financial obligations related to the property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

5. **Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.**

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea ("UNCLOS"). The Philippines made several efforts during the course of 2011 and 2012 to establish a framework for resolving these disputes, calling for multilateral talks to delineate territorial rights and establish a framework for resolving disputes.

Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. In April and May 2012, the Philippines and China accused each other of deploying vessels to the shoal in an attempt to take control of the area, and both sides unilaterally imposed fishing bans at the shoal later that year. These actions threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, as well as a temporary suspension of tours to the Philippines by Chinese travel agencies. Since July 2012, Chinese vessels have reportedly turned away Philippine fishing boats attempting to enter the shoal, and the Philippines has continued to protest China's presence there. In January 2013, the Philippines sent notice to the Chinese embassy in Manila that it intended to seek international arbitration to resolve the dispute under UNCLOS. China has rejected and returned the notice sent by the Philippines to initial arbitral proceedings. In May 2013, the Philippine Coast Guard shot and killed a Taiwanese fisherman in an area of the South China Sea claimed as an exclusive economic zone by both countries.

In September 2013, the Permanent Court of Arbitration in The Hague, Netherlands issued rules of procedure and initial timetable for the arbitration in which it will act as a registry of the proceedings. Should these territorial disputes continue or escalate further, the Philippines and its economy may be disrupted and the operations of the Company could be adversely affected as a result. In particular, further disputes between the Philippines and China may lead both countries to impose trade restrictions on the other's imports. Any such impact from these disputes could adversely affect the Philippine economy, and materially and adversely affect the Company's business, financial position and financial performance.

6. **The credit ratings of the Philippines may adversely affect the Company's business.**

The sovereign credit ratings of the Government directly and adversely affect companies resident in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign.

In October 2013, Moody's Investors Service, Inc. ("Moody's") upgraded the Philippines by one notch to Baa3 from Ba1 with a positive outlook to the rating given the perceived sustainability of the country's robust economic performance; ongoing fiscal and debt consolidation; and political stability and improved governance. In a related rating action, Moody's has upgraded the government's foreign currency shelf rating to (P)Baa3 and the ratings for the liabilities of the Central Bank to Baa3. These have also been assigned a positive outlook.

In May 2013, Standard & Poor's Ratings Group ("Standard & Poor's") raised the Philippines' credit rating from "BB+" to BBB-", the minimum investment grade, due to the country's rosy macroeconomic fundamentals amidst global economic problems. Standard & Poor's also assigned a stable outlook on the Philippines' new rating. Two other major ratings agencies, Fitch and Moody's also granted the Philippines an investment-grade rating in 2013. On 8

May 2014, the Philippines again received a credit ratings upgrade from Standard & Poor's from "BBB-" to "BBB" with a stable outlook.

No assurance can be given that Moody's, Standard & Poor's or any other international credit rating agency will not, in the future, downgrade the credit ratings of the Government and, consequently, Philippine companies. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing will be made available.

C. RISKS RELATING TO THE BONDS

1. The Company may be unable to redeem the Bonds

At maturity, the Company will be required to redeem all of the Bonds. At that point in time, the Company may not have sufficient cash on hand and may not be able to arrange financing to redeem the Bonds on time, or on acceptable terms, or at all. The ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase, or redeem tendered Bonds by the Company would constitute a default under the terms of other indebtedness of the Company.

CPGI has a strong and stable business in the Philippines. It maintains a healthy debt-to-equity ratio, and maintains a stable level of liquidity in its statements of financial position. Further, the Company may refinance the Bonds when necessary.

2. Liquidity risk

The Philippine debt securities markets, particularly the market for corporate debt securities, are substantially smaller, less liquid and more concentrated than other securities markets. The Company cannot guarantee whether an active trading market for the Bonds will develop of if the liquidity of the Bonds will be sustained throughout its life. Even if the Bonds are listed on the PDEx, trading in securities such as the Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets and the overall market for debt securities among other factors. There is no assurance that the Bonds may be easily disposed of at prices and volumes at instances best deemed appropriate by their holders.

3. Pricing risk

The market price of the Bonds will be subject to market and interest rate fluctuations, which may result in the investment being appreciated or reduced in value. If market interest rates decrease relative to the Interest Rate of the Bonds, the price of the Bonds, when sold in the secondary market, may increase. Conversely, if market interest rates increase relative to the Interest Rate of the Bonds, the price of the Bonds, when sold in the secondary market, may decrease. Thus, a Bondholder could face possible losses if he decides to sell in the secondary market.

4. Retention of ratings risk

There is no assurance that the rating of the bonds will be retained throughout the life of the Bonds. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

5. Bonds have no preference under Article 2244(14) of the Civil Code

No other unsecured loan or other debt facility currently or to be entered into by the Issuer shall have preference of priority over the Bonds as accorded to public instruments under Article 2244(14) of the Civil Code. However, should any bank or Bondholder hereinafter have a preference or priority over the Bonds as a result of notarization of unsecured debt instruments, then the Issuer shall at the Issuer's option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the Bonds.

To mitigate the above mentioned risks, the Company shall continue to adopt what it considers conservative, financial and operational controls and policies within the context of the prevailing business, economic, and political environments taking into consideration the interests of it's customers, stockholders and creditors.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Bonds. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Bonds and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Bonds under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Bonds in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.

The tax treatment of a Bondholder may vary depending upon such Bondholder's particular situation, and certain Bondholders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Bondholder.

PROSPECTIVE PURCHASERS OF THE BONDS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF A BOND, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines," otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines." A "resident foreign corporation" is a non-Philippine corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a non-Philippine corporation not engaged in trade or business within the Philippines.

TAXATION OF INTEREST

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income derived by Philippine resident individuals from the Bonds is thus subject to income tax, which is withheld at source, at the rate of 20%. Generally, the interest on the Bonds received by non-resident foreign individuals engaged in trade of business in the Philippines is subject to a 20% withholding tax while that received by non-resident foreign individuals not engaged in trade or business is taxed at the rate of 25%. Interest income received by domestic corporations and resident foreign corporations is taxed at the rate of 20%. Interest income received by non-resident foreign corporations is subject to a 30% final withholding tax. The tax withheld constitutes a final settlement of Philippine income tax liability with respect to such interest.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 15% in cases where the interest arises in the Philippines and is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest, who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment. Thus, non-resident foreign bondholders who maintain and conduct business activities in the Philippines may not qualify for reduced withholding tax treaty rates on interest payments because they may be considered as having a taxable presence in the Philippines by reason of such business activities. Thus, availing of such reduced tax treaty rates will require confirmation of entitlement thereto from the BIR, as discussed below. Each of the qualified Bondholders shall be responsible for securing confirmation of entitlement to the preferential tax treaty rates with the BIR.

TAX-EXEMPT STATUS

Bondholders who are exempt from or are not subject to final withholding tax on interest income may claim such exemption by submitting the necessary documents. Said Bondholder shall submit the following requirements to the Registrar, to the Issue Manager or Underwriters (together with their completed Application to Purchase) who shall then forward the same to the Registrar: (i) a current and valid BIR certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption; (ii) a duly notarized undertaking, in prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the Bonds for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippines law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify CPGI and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificate or preferential rate entitlement, and agreeing to indemnify and hold CPGI and the Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming a tax treaty relief, which shall include a copy of the duly filed tax treaty relief application with the International Tax Affairs Division of the BIR as required under BIR Revenue Memorandum Order No. 72-2010; provided further that, all sums payable by CPGI to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption or reasonable evidence of such exemption to the Registrar and Paying Agent.

Bondholders may transfer their Bonds at any time, regardless of tax status of the transferor vis-à-vis the transferee. Should a transfer between Bondholders of different tax status occur on a day which is not an Interest Payment Date, tax exempt entities trading with non-tax exempt entities shall be treated as non-tax exempt entities for the interest period within which such transfer occurred. Transfers taking place in the Registry of Bondholders after the Bonds are listed on PDEx shall be allowed between non tax-exempt and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Section entitled *"Payment of Additional Amounts – Taxation,"* within three days of such transfer.

VALUE-ADDED TAX

Gross receipts arising from the sale of the Bonds in the Philippines by Philippine-registered dealers in securities and lending investors shall be subject to a 12% value-added tax. The term "gross receipt" means gross selling price less acquisition cost of the Bonds sold.

GROSS RECEIPTS TAX

Bank and non-bank financial intermediaries are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

Maturity period is five years or less	5%
Maturity period is more than five years	1%

In case the maturity period referred above is shortened through pre-termination, then the maturity period shall be reckoned to end as of the date of pre-termination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the Bonds shall be taxed at 7%.

DOCUMENTARY STAMP TAX

A documentary stamp is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as the Bonds, at the rate of ₱1.00 for each ₱200, or fractional part thereof, of the offer price of such debt instruments; provided that, for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by CPGI for its own account.

No documentary stamp tax is imposed on the subsequent sale or disposition of the Bonds.

TAXATION ON SALE OR OTHER DISPOSITION OF THE BONDS

Income Tax

The Bondholder will recognize gain or loss upon the sale or other disposition (including a redemption at maturity) of the Bonds in an amount equal to the difference between the amount realized from such disposition and such Bondholder's basis in the Bonds. Such gain or loss is likely to be deemed a capital gain or loss assuming that the Bondholder has held the Bonds as capital assets.

Under the Tax Code, any gain realized from the sale, exchange or retirement of securities, debentures and other certificates of indebtedness with an original maturity date of more than five years (as measured from the date of issuance of such securities, debentures or other certificates of indebtedness) shall not be subject to income tax. Gains realized by a Bondholder on the trading of the Bonds with maturities of five and a half years and seven years shall be exempt from income tax. On the other hand, gains realized by a Bondholder on the trading of the Bonds with maturities of three years shall be subject to regular individual or corporate income tax, as the case may be on the gain realized from the trading of such Bonds.

In case of the Bonds with maturities of three years and which are held as a capital asset, individuals or corporate bondholders shall be subject to the full amount of the capital gain or loss recognized upon the sale or exchange of a capital asset if such Bonds have been held for less than 12 months. If such Bonds have been held for more than 12 months, then in case of an individual Bondholder, only 50% of the capital gain or loss is recognized while 100% of the capital gain or loss is recognized in case of corporate Bondholders.

Any gains realized by non-residents on the sale of the Bonds may be exempt from Philippine income tax under an applicable tax treaty.

An exercise by a Bondholder of the Optional Redemption as allowed under the Terms and Conditions would each be considered a sale for purposes of such tax. Given that the amount to be received by the Bondholder in each case is limited to the principal plus accrued but unpaid interest, there should be no income tax due on the call option or such redemption, apart from the final tax to be withheld on the accrued interest, and provided that the Bondholder's acquisition cost is not lower than the par value of the Bonds.

Estate and Donor's Tax

The transfer by a deceased person, whether a Philippine resident or non-Philippine resident, to his heirs of the Bonds shall be subject to an estate tax which is levied on the net estate of the deceased at progressive rates ranging from 5% to 20%, if the net estate is over P200,000. A Bondholder shall be subject to donor"s tax on the transfer of the Bonds by gift at either (i) 30%, where the donee or beneficiary is a stranger, or (ii) at progressive rates ranging from 2% to 15% if the net gifts made during the calendar year exceed P100,000 and where the donee or beneficiary is other than a stranger. For this purpose, a "stranger" is a person who is not a: (a) brother, sister (whether by whole or half-blood), spouse, ancestor and lineal descendant; or (b) relative by consanguinity in the collateral line within the fourth degree of relationship.

The estate tax and donor's tax, in respect of the Bonds, shall not be collected (a) if the deceased at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death, taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

USE OF PROCEEDS

Following the offer and sale of up to ₱2,000,000,000 of Unsecured Fixed-Rate Peso Retail Bonds, CPGI expects that the net proceeds of the Offering shall amount to approximately ₱1,937,602,554 after fees, commissions and expenses. Assuming an oversubscription of up to ₱1,000,000,000.00, CPGI expects total net proceeds of approximately ₱2,922,064,920 after fees, commissions, and expenses.

Net proceeds from the Offering are estimated to be as follows:

Estimated proceeds from the sale of Bonds	₱2,000,000,000
Less: Estimated expenses	
Underwriting fees	21,075,269
Documentary Stamp Tax	10,000,000
SEC registration fee	1,312,500
SEC legal research fee	13,125
Rating agency fee	2,500,000
Legal fees (excluding OPE)	2,500,000
Trustee fees	30,000
Listing fees	250,000
Registry and paying agency fees	200,000
Insurance Commission processing fee	10,100
Marketing expenses	1,200,000
Financial Advisor fees	4,500,000
Audit fees	3,000,000
Other fees	15,806,452
Total upfront expenses	**62,397,446**
Estimated net proceeds for ₱2.0 Billion issue	**₱1,937,602,554**

Aside from the foregoing one-time costs, the Company expects the following annual expenses related to the Bonds:

CRISP annual monitoring fee	₱350,000
Trust annual maintenance fee	360,000
PDTC registration and statement generation fees	260,000
PDTC paying agent	400,000
PDEx annual listing maintenance fee	150,000
Total annual fees	**₱1,520,000**

For a ₱1,000,000,000 Oversubscription Option:

Estimated proceeds from the Oversubscription Option	₱1,000,000,000
Less: Estimated expenses	
Underwriting fees	10,537,634
Documentary Stamp Tax	5,000,000
Estimated net proceeds for ₱1.0 Billion Oversubscription Option	**₱984,462,366**
Total Net Proceeds	**₱2,922,064,920**

TIMING AND USE OF PROCEEDS

The net proceeds from this Offering will be used to partly finance the remaining capital expenditures for select residential and commercial projects the Company plans to complete between 2017 to 2019 as shown in the table below:

Project	Developer	Location	Projected GFA (sq. m.)	Expected Date of Completion	Remaining Capital Expenditures[1] (₱ Million)	Estimated Allocation of Bond Proceeds, Excluding Over-subscription (₱ Million)	Estimated Allocation of Bond Proceeds (₱ Million)
Boracay	CLC	Azure, Parañaque	26,865	2017	950	145	220
Bahamas	CLC	Azure, Parañaque	52,544	2018	1,918	290	440
Roxas West	CLC	Commonwealth, Quezon City	27,213	2018	961	150	225
Quirino West	CLC	Commonwealth, Quezon City	26,115	2018	962	150	225
Quezon South	CLC	Commonwealth, Quezon City	37,826	2019	1,433	130	200
Forbes[2]	CCDC	Century City, Makati	22,795	2018	825	130	200
Century Spire[3]	CCDC	Century City, Makati	98,583	2018	4,853	700	1110
Fort[4]	A2 Global	Bonifacio Global City, Taguig	26,843	2017	850	243	302
Total			**318,784**		**₱ 12,752**	**₱ 1,938**	**₱2,922**

[1]Estimated construction cost, indirect construction cost, and land
[2]For lease component only
[3]For sale and for lease components
[4]CPGI share only

The Bond to be raised via this Offering will be used for the above 8 projects' capital expenditure requirements for the remainder of 2014, 2015 and 2016 totaling ₱4.4 billion. To complete the capital expenditure requirements for these projects, the Company requires an additional ₱8.4 billion from 2017 to 2019, bringing the total remaining capital expenditures to ₱12.8 billion.

The Company is expecting to fund the balance from three sources.

First, the Company generates cash from sale of the residential units associated with the above 6 projects (excluding Forbes and Fort since these 2 projects are leasing assets). As of March 30, 2014, the total sales value of the sold and unsold residential units of the 6 above projects is expected to be ₱25.4B (VAT inclusive) and totals over 3,400 units. These projects are already 41% and 71% pre-sold in terms of value and units respectively.

Second, the Company or its subsidiaries can utilize additional credit facilities. At an assumed loan to cost ratio of 50%, the Company or its subsidiaries can generate additional ₱6.4B of credit facilities based on a total capital expenditure budget of ₱12.8B. In addition, as disclosed in the Description of Debt – Recent Transactions, CCDC recently received on June 13, 2014 an approval for a ₱ 1.3B loan [(1)] subordinated secured loan for Century Spire to partly fund the capital expenditures for such project. The remaining 7 projects are currently un-encumbered, and have not been used as collateral with any lending institution as of yet, thus allowing CPGI or its subsidiaries to raise additional funds.

Third, while the Company believes that the Bond, the collections from residential units of the 6 projects, and additional credit facilities are already sufficient to complete the capital expenditures required, to the extent more funding is required, the Company is expected to generate internally generated free cash from 17 projects that the Bond is not financing, and are all projected to be completed by 2016. As of March 30, 2014, the total sales value of these 17 projects is expected to approximate ₱52.2B (VAT inclusive) and totals over 10,600 units. These projects are already 92% and 96% pre-sold in terms of value and units respectively. These projects have been previously financed with collections from pre-sales, equity from the Company's prior equity raises, as well as committed credit facilities. As a result, once the Company completes these 17 projects, and collects the large turnover balances from its buyers, the Company's internally generated cash position shall be augmented on or before 2017.

Additionally, the Company also has unbooked revenues, which is the difference between the total recognizable revenue of a project, less the total cumulative revenue based on the percentage of completion method and represented under the Philippine Interpretations Committee (PIC) Q&A No. 2006-01. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally on the estimated completion of the proportion of construction works. The full unbooked revenue will be recognized as revenue in the income statement upon qualification of the collectibility of sales price, and upon the full completion of the construction works of such project. Unbooked revenue is not an audited account, and the Company keeps track of its unbooked revenue similarly as how it tracks its pre-sales. The total unbooked revenue is the difference between the total recognizable revenue less the cumulative revenue recognized. The total recognizable revenue is based on the sum of actual total contract price of buyers, plus new sales units and price increases, less cancellations, if any.

The Company will inform the Commission under Current Report (SEC Form 17-C) within the prescribed period of the disbursement of funds to the Company's respective subsidiaries and how the said funds will be booked by the Company's respective subsidiaries.

In the event of any material deviation or adjustment in the planned uses of the proceeds, the Company shall inform the Bondholders and the SEC thirty (30) days prior to its implementation.

No use of proceeds is contemplated to discharge debt, to acquire assets or finance the acquisition of other businesses, or reimburse any officer, director, employee or shareholder for services rendered, assets previously transferred, money loaned, advanced or otherwise.

The net proceeds from this Offering will be disbursed to the respective operating subsidiaries of the Company to partially finance the residential and commercial projects as discussed above. This disbursement will either be in the form of equity of the Company to its respective operating subsidiaries, or through an on loan agreement with its respective subsidiaries.

(1) Based on a $30,000,000 loan, and a USD to PHP foreign exchange rate of 43.76 as of June 13, 2014

DETERMINATION OF OFFER PRICE

The Bonds shall be issued at par, or 100% of the principal amount or face value.

PLAN OF DISTRIBUTION

THE OFFER

On 20 June 2014, CPGI filed a Registration Statement with the SEC, in connection with the offer and sale to the public of debt securities with an aggregate principal amount of up to ₱2,000,000,000 with an Oversubscription Option of ₱1,000,000,000 comprised of 6.0000% p.a. 3 year fixed rate bonds due in 2 September 2017 ("Three Year Bonds"), 6.6878% p.a. five year fixed rate bonds due in 2 March 2020 ("Five Year Bonds"), and 6.9758% p.a. seven year fixed rate bonds due in 2 September 2021 ("Seven Year Bonds). The Bonds will be issued by the Company pursuant to the terms and conditions of the Bonds on the "Issue Date".

However, there can be no assurance in respect of: (i) whether the Company would issue such debt securities at all; (ii) the size or timing of any individual issuance or the total issuance of such debt securities; or (iii) the specific terms and conditions of any such issuance. Any decision by the Company to offer such debt securities will depend on a number of factors at the relevant time, many of which are not within the Company's control, including but not limited to: prevailing interest rates, the financing requirements of the Company, market liquidity, and the state of the Philippine, regional and global capital markets and economies.

In the event that the Oversubscription Option of ₱1,000,000,000 is not exercised, it shall be deemed cancelled.

The SEC is expected to issue an order rendering the Registration Statement effective, and a corresponding permit to offer securities for sale covering the Offer.

THE UNDERWRITERS OF THE OFFER

BDO Capital and HSBC, pursuant to an Underwriting Agreement executed on 15 August 2014 (the "Underwriting Agreement"), have agreed to act as the Joint Lead Underwriters and Bookrunners for the Offer and as such, distribute and sell the Bonds at the Offer Price, and has also committed to underwrite the Bonds on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration of an underwriting fee equivalent to 1% of the gross proceeds. BDO and HSBC have committed to underwrite P1,600,000,000.00 and P400,000,000.00, respectively, BDO Capital is also the Issue Manager for this transaction.

There is no arrangement for the Joint Lead Underwriters and Bookrunners to return to CPGI any unsold Bonds. The Underwriting Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the Bonds being made to CPGI. There is no arrangement giving the Joint Lead Underwriters and Bookrunners the right to designate or nominate member(s) to the Board of Directors of CPGI.

The Joint Lead Underwriters and Bookrunners are duly licensed by the SEC to engage in underwriting or distribution of the Bonds. The Joint Lead Underwriters and Bookrunners may, from time to time, engage in transactions with and perform services in the ordinary course of its business for CPGI.

The Joint Lead Underwriters and Bookrunners have no direct relations with CPGI in terms of ownership by either of their respective major stockholder/s.

SALE AND DISTRIBUTION

The distribution and sale of the Bonds shall be undertaken by the Joint Lead Underwriters and Bookrunners who shall sell and distribute the Bonds to third party buyers/investors. Nothing herein shall limit the rights of the Joint Lead Underwriters and Bookrunners from purchasing the Bonds for its own account.

There are no persons to whom the Bonds are allocated or designated. The Bonds shall be offered to the public at large and without preference.

OFFER PERIOD

The Offer Period shall commence on 18 August 2014 and end on 26 August 2014.

APPLICATION TO PURCHASE

Applicants may purchase the Bonds during the Offer Period by submitting to the Joint Lead Underwriters and Bookrunners properly completed Applications to Purchase, together with two signature cards, and the full payment of the purchase price of the Bonds in the manner provided in said Application to Purchase.

Corporate and institutional applicants must also submit, in addition to the foregoing, a copy of their SEC Certificate of Registration, Articles of Incorporation, By-Laws, and the appropriate authorization by their respective boards of directors and/or committees or bodies relative to the purchase of the Bonds and designating the authorized signatory(ies) thereof.

Individual applicants must also submit, in addition to accomplished Application to Purchase and its required attachments, a photocopy of any one of the following identification cards ("ID"), subject to verification with the original ID: passport, driver's license, postal ID, company ID, SSS/GSIS ID and/or Senior Citizen's ID.

A corporate and institutional investor who is exempt from or is not subject to withholding tax shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) a BIR-certified true copy of the current and valid tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption; (ii) a duly notarized undertaking, in the prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the Bonds for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; and (iii) such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief, which shall include a copy of the duly filed tax treaty relief application with the International Tax Affairs Division of the BIR as required under BIR Revenue Memorandum Order No. 72-2010; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

Completed Applications to Purchase and corresponding payments must reach the Joint Lead Underwriters and Bookrunners prior to the end of the Offer Period, or such earlier date as may be specified by the Joint Underwriters and Bookrunners. Acceptance by the Joint Lead Underwriters and Bookrunners of the completed Application to Purchase shall be subject to the availability of the Bonds and the acceptance by CPGI. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase is deemed revoked.

MINIMUM PURCHASE

A minimum purchase of Fifty Thousand Pesos (₱50,000) shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of Ten Thousand Pesos (₱10,000).

ALLOTMENT OF THE BONDS

If the Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted in accordance with the chronological order of submission of properly completed and appropriately accomplished Applications to Purchase on a first-come, first-served basis, without prejudice and subject to CPGI's exercise of its right of rejection.

ACCEPTANCE OF APPLICATIONS

CPGI and the Joint Lead Underwriters and Bookrunners reserve the right to accept or reject applications to subscribe in the Bonds, and in case of oversubscription, allocate the Bonds available to the applicants in a manner they deem appropriate. If any application is rejected or accepted in part only, the application money or the appropriate portion thereof will be returned without interest by the Joint Lead Underwriters and Bookrunners.

REFUNDS

If any application is rejected or accepted in part only, the application money or the appropriate unused portion thereof shall be returned without interest to such applicant through the Joint Lead Underwriters and Bookrunners with whom such application to purchase the Bonds was made.

PAYMENTS

The Paying Agent shall open and maintain a Payment Account, which shall be operated solely and exclusively by said Paying Agent in accordance with the Registry and Paying Agency Agreement and the PDTC Rules, provided that beneficial ownership of the Payment Account shall always remain with the Bondholders. The Payment Account shall be used exclusively for the payment of the relevant interest and principal on each Payment Date.

The Paying Agent shall maintain the Payment Account for six (6) months from the relevant Maturity Date or Early Redemption Option Date or date of early redemption other than the Maturity Date or Early Redemption Option Date. Upon closure of the Payment Account, any balance remaining in such Payment Account shall be returned to the Issuer and shall be held by the Issuer in trust and for the irrevocable benefit of the Bondholders with unclaimed interest and principal payments.

PURCHASE AND CANCELLATION

The Issuer may purchase the Bonds at any time in the open market or by tender or by contract at any price without any obligation to make pro-rata purchases from all

Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

SECONDARY MARKET

CPGI intends to list the Bonds in the PDEx. CPGI may purchase the Bonds at any time without any obligation to make pro-rata purchases of Bonds from all Bondholders.

REGISTRY OF BONDHOLDERS

The Bonds shall be issued in scripless form and shall be registered in the scripless Electronic Registry of Bondholders maintained by the Registrar. A Master Certificate of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Legal title to the Bonds shall be shown in the Electronic Registry of Bondholders to be maintained by the Registrar. Initial placement of the Bonds and subsequent transfers of interests in the Bonds shall be subject to applicable prevailing Philippine selling restrictions. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Electronic Registry of Bondholders. Transfers of ownership shall be effected through book-entry transfers in the scripless Electronic Registry of Bondholders.

DESCRIPTION OF THE BONDS

The following does not purport to be a complete listing of all the rights, obligations, or privileges of the Bonds. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective Bondholders are enjoined to carefully review the Articles of Incorporation, By-Laws and resolutions of the Board of Directors and Shareholders of CPGI, the information contained in this Prospectus, the Bond Agreements, and other agreements relevant to the Offer. Prospective Bondholders are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the Bonds.

GENERAL

The Board of Directors of the Company authorized, through a resolution unanimously passed and approved on 19 June 2014, the issuance of principal amount of ₽2,000,000,000 with an Oversubscription Option of ₽1,000,000,000, comprised of the 6.0000% p.a. three year fixed rate bonds due in 2 September 2017 ("Three Year Bonds"), 6.6878% p.a. five year and six months fixed rate bonds due in 2 March 2020 ("Five Year and Six Months Bonds"), and of 6.9758% p.a. seven year fixed rate bonds due in 2 September 2021 ("Seven Year Bonds"). The Bonds will be issued by the Company pursuant to the terms and conditions of the Bonds (the "Terms and Conditions") on the Issue Date.

A Trust Indenture Agreement was executed on 15 August 2014 (the "Trust Indenture") and entered into by the Issuer and BDO Unibank, Inc. – Trust and Investment Group (the "Trustee"). The following description of and the terms and conditions of the Bonds is only a summary and subject to the detailed provisions of the Trust Indenture.

A Registry and Paying Agency Agreement was executed on 15 August 2014 (the "Registry and Paying Agency Agreement") between the Issuer and PDTC (the "Paying Agent") and as registrar (the "Registrar").

The Bonds shall be offered and sold through a general public offering in the Philippines, and issued and transferable in minimum principal amounts of Fifty Thousand Pesos (₽ 50,000.00) and in multiples of Ten thousand Pesos (₽10,000) thereafter, and shall be traded in denominations of Ten thousand Pesos (₽10,000) in the secondary market.

The Three Year Bonds shall mature on 2 September 2017 unless earlier redeemed by the Issuer pursuant to the terms thereof and subject to the provisions on redemption and payment as detailed below.

The Five Year Bonds shall mature on 2 March 2020 unless earlier redeemed by the Issuer pursuant to the terms thereof and subject to the provisions on redemption and payment as detailed below.

The Seven Year Bonds shall mature on 2 September 2021 unless earlier redeemed by the Issuer pursuant to the terms thereof and subject to the provisions on redemption and payment as detailed below.

The Registrar and Paying Agent has no interest in or relation to CPGI, which may conflict with its role as Paying Agent and as Registrar for the Offer. CPGI has no ability to control or direct the affairs of the Registrar and Paying Agent.

Copies of the Trust Indenture and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the

Registrar, respectively. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

FINANCIAL RATIOS

As indicated	For the three months ended March 31, Reviewed		For the years ended December 31		
	2014	**2013**	**2013**	**2012**	**2011**
EPS, basic / diluted (₽)	0.054	0.055	0.193	0.212	0.102
ROA	7.9%	10.2%	8.2%	12.9%	9.9%
ROE	17.6%	21.5%	18.8%	29.4%	23.8%
Interest coverage ratio (x)	12.2x	28.9x	94.0x	51.7x	21.8x
	March 31, 2014 Reviewed	**March 31, 2013 Reviewed**	**December 31, 2013**	**December 31, 2012**	**December 31, 2011**
Current ratio (x)	2.0x	3.2x	2.0x	2.5x	1.8x
Debt to equity ratio (x)	0.5x	0.4x	0.5x	0.4x	0.2x
Net debt to equity ratio (x)	0.5x	0.1x	0.4x	0.3x	0.1x
Asset to equity ratio (x)	2.2x	2.0x	2.3x	2.3x	2.3x
Total Liabilities / Total Equity	1.2x	1.0x	1.3x	1.3x	1.3x

Notes:
1) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two)
2) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two)
3) Interest coverage ratio is equal to earnings before interest and taxes (EBIT) divided by interest expenses
4) Current ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity
5) Debt to Equity ratio computed by dividing total interest-bearing debt by total equity
6) Net debt-to-equity ratio is calculated as total interest-bearing debt minus cash and cash equivalents divided by total equity as of the end of the period.
7) Asset to Equity ratio is total assets over total equity

FINANCIAL COVENANTS*

a) Current Ratio of at least 1.5x to 1.0
b) Maximum total Debt-to-Equity ratio of 2.0x to 1.0
c) Debt Service Coverage Ratio of not less than 1.2x to 1.0

**Please refer to the discussion on the impact of the offering on these financial ratios in "8. Financial Covenants".*

1. Form, Denomination and Title

a) Form and Denomination

The Bonds are in scripless form, and issued in denominations of Fifty Thousand Pesos (₽50,000) each as a minimum and in integral multiples of Ten Thousand Pesos (₽10,000) thereafter, and shall be subsequently traded in denominations of Ten Thousand Pesos (₽10,000) in the secondary market.

b) Title

Legal title to the Bonds shall be shown in the Electronic Registry of Bondholders maintained by the Registrar pursuant to the Registry and Paying Agency Agreement. A notice confirming the principal amount of the Bonds purchased by each applicant in the Offer shall be issued by the Registrar to all Bondholders no later than 7 Banking Days following the Issue Date.

The Bondholder has 20 days from the date indicated in the registry confirmation to request the Registrar for amendment, correction or completion of the relevant information in the Electronic Registry of Bondholders. The Bondholder shall, within such period, request the Registrar, through the Issue Manager, Underwriters and Bookrunners from whom the Bonds were purchased, to amend entries in the Registry by issuing an Affidavit of Correction duly endorsed by the Issue Manager, Underwriters and Bookrunners. Upon any assignment, title to the Bonds shall transfer by recording of the assignment from the transferor to the transferee in the Electronic Registry of Bondholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamp taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

c) Bond Rating

The Bonds have been rated AA+ by the Credit Rating and Investors Services Philippines, Inc. (“CRISP”) on June 6, 2014. CRISP considered the following factors: market strategy, financial position and land banking strategy.

The rating assigned reflects the following key considerations:

- CPGI’s strong market presence achieved by maintaining an international sales platform that enables it to sell the most number of condominium units in the overseas market.

- CPGI is the only property developer in the country that employs international brands to enhance its prestige and value of its projects.

- CPGI focuses on the premium end of each of the luxury, middle income and affordable market segments, a business strategy that CRISP considers as a crucial step in the need for property developers to diversify and protect themselves from a potential market shift.

- CPGI’s healthy financial position is supported by significant amount of pre-sold and pre-funded projects.
- CPGI’s land banking strategy is excellent as it allows the Company to firm up its hold on its market share and further diversify geographically and demographically as a protection against potential market shifts.

The rating also reflects the following factors which were considered when the AA+ rating was assigned to the proposed issuance: CPGI’s ability to maintain its hold on its market segments and continue to diversify its market segments, and CPGI’s stable overseas Filipino market that will continue to support its product offering.

The rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as the Bonds are outstanding. The rating may be changed at any time should CRISP determine that circumstances warrant a change. The rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as the Bonds are outstanding. CRISP is a credit rating agency accredited by the SEC for bond issuance purposes but yet to be recognized by the BSP for bank supervisory purposes.

2. Transfer of Bonds

a) Electronic Registry of Bondholders

CPGI shall cause the Electronic Registry of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of the Bonds shall be entered into the Electronic Registry of Bondholders, subject to the terms of the Registry and Paying Agency Agreement. As required by Circular No. 428-04 issued by the BSP, the Registrar shall send each Bondholder a written statement of registry holdings at least quarterly (at the cost of CPGI), and a written advice confirming every receipt or transfer of the Bonds that is effected in the Electronic Registry of Bondholders (at the cost of CPGI). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder.

b) Transfers; Tax Status

Bondholders may transfer their Bonds at any time, regardless of tax status of the transferor vis-à-vis the transferee. Should a transfer between Bondholders of different tax status occur on a day that is not an Interest Payment Date, tax exempt entities trading with non-tax exempt entities shall be treated as non-tax exempt entities for the interest period within which such transfer occurred. A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified below under *"Payment of Additional Amounts; Taxation",* within three days of such transfer. Transfers taking place in the Electronic Registry of Bondholders after the Bonds are listed on PDEx shall be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC.

c) Secondary Trading of the Bonds

The Issuer intends to list the Bonds in PDEx for secondary market trading. The Bonds will be traded in a minimum board lot size of ₱10,000, and in multiples of ₱10,000 in excess thereof for so long as any of the Bonds are listed on PDEx. Secondary market trading in PDEx shall follow the applicable PDEx rules, conventions, and guidelines, including rules, conventions and guidelines governing trading and settlement between bondholders of different tax status, and shall be subject to the relevant fees of PDEx and PDTC, all of which shall be for the account of the Bondholders.

3. Ranking

The Bonds constitute direct, unconditional, unsecured and unsubordinated Peso-denominated obligations of CPGI and shall rank *pari passu* and rateably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of CPGI, other than obligations preferred by the law.

4. Interest

a) Interest Payment Dates

The Three Year Bonds bear interest on its principal amount from and including Issue Date at the rate of 6.0000% *per annum* in each year payable quarterly in arrears starting on 2 December 2014 for the first Interest Payment Date and on 2 March, 2 June, 2 September, and 2 December of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day, without adjustment, if such Interest Payment Date is not a Business Day.

The Five Year and Six Months Bonds bear interest on its principal amount from and including Issue Date at the rate of 6.6878% *per annum* in each year payable quarterly in arrears starting on 2 December 2014 for the first Interest Payment Date and on 2 March, 2 June, 2 September, and 2 December of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day, without adjustment, if such Interest Payment Date is not a Business Day.

The Seven Year Bonds bear interest on its principal amount from and including Issue Date at the rate of 6.6878% *per annum* in each year payable quarterly in arrears starting on 2 December 2014 for the first Interest Payment Date and on 2 March, 2 June, 2 September, and 2 December of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day, without adjustment, if such Interest Payment Date is not a Business Day.

The cut-off date in determining the existing Bondholders entitled to receive interest or principal amount due shall be two (2) Business Days prior to the relevant Interest Payment Date (the "Record Date"), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the Bonds. No transfers of the Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

b) Interest Accrual

Each Bond shall accrue and bear interest from the Issue Date up to and including the relevant Maturity Date or any Early Redemption Option Date or date of early redemption other than an Early Redemption Option Date, as discussed in the section on "Redemption and Purchase" on page 65, unless, upon due presentation, payment of the principal in respect of the Bond then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see "Penalty Interest" on page 76) shall apply.

c) Determination of Interest Amount

The interest shall be calculated on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

5. Redemption and Purchase

a) Final Redemption

Unless previously redeemed, purchased and cancelled, the Bonds shall be redeemed at par or one hundred percent (100%) of face value on their respective Maturity Dates. However, if the relevant Maturity Date is not a Business Day, payment of all amounts due on such date will be made by CPGI through the Paying Agent, without adjustment with respect to the amount of interest payable, on the succeeding Business Day.

b) Early Redemption Option

The Issuer shall have the right, but not the obligation, to redeem in whole (and not in part), the outstanding Bonds on the following relevant dates set forth below ("Early Redemption Option Dates"). The amount payable to the Bondholders upon the exercise of the Early Redemption Option by the Issuer shall be calculated, based on the principal amount of Bonds being redeemed, as the sum of:

(i) accrued interest computed from the last Interest Payment Date up to the relevant Early Redemption Option Date; and

(ii) the product of the principal amount of the Bonds being redeemed and the Early Redemption Price in accordance with the following schedule:

Early Redemption Option Date on the Seven Year Bonds	**Early Redemption Price**
Five (5) Years and Six (6) Months from Issue Date	102.0%
Six (6) Years from Issue Date	101.0%

Early Redemption Option Date on the Five Year Bonds	**Early Redemption Price**
Three (3) Years and Six (6) Months from Issue Date	102.0%
Four (4) Years from Issue Date	101.0%

The Issuer shall give no less than thirty (30) days nor more than sixty (60) days prior written notice of its intention to redeem the Bonds to the Trustee, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Bonds at the Early Redemption Option Date stated in such notice.

c) Redemption for Taxation Reasons

If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to CPGI, CPGI may redeem the Bonds in whole, but not in part, on any Interest Payment Date (having given not more than 60 nor less than 30 days' notice to the Trustee) at par plus accrued interest.

d) Purchase and Cancellation

The Issuer may purchase the Bonds at any time in the open market or by tender or by contract at any price without any obligation to make pro-rata purchases from all Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

e) Change in Law or Circumstance

CPGI may redeem the Bonds in whole, but not in part, in the event of changes in law or circumstances ("Change of Law"). Each of the following events shall be considered as a Change of Law as it refers to the obligations of the Issuer and to the rights and interests of the Bondholders under the Trust Indenture and the Bonds:

i. Any government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable CPGI to comply with its obligations under the Trust Indenture or the Bonds shall be modified in a manner which shall materially and adversely affect the ability of CPGI to comply with such obligations, or shall be withdrawn or withheld.

ii. Any provision of the Trust Indenture or any of the related documents is or shall become, for any reason, invalid, illegal or unenforceable to the extent that it shall become for any reason unlawful for CPGI to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Indenture or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents.

iii. Any concessions, permits, rights or privileges required for the conduct of the business and operations of CPGI shall be revoked, cancelled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial condition or operations of CPGI.

In the event that CPGI should invoke this Condition 5(e), CPGI shall provide the Trustee an opinion of legal counsel confirming the occurrence of the relevant event and the consequences thereof as consistent herewith, such legal counsel being from a recognized law firm reasonably acceptable to the Trustee. Thereupon, the Trustee shall confirm that CPGI may redeem the Bonds in whole, but not in part, on any Banking Day (having given not more than sixty (60) nor less than thirty (30) days' notice to the Trustee) at par plus accrued interest.

6. Payments

The principal of, interest on, and all other amounts payable on the Bonds shall be paid by CPGI to the Bondholders through the Paying Agent pursuant to the Registry and Paying Agency Agreement. On each Payment Date, on the basis of the payment report submitted by the Registrar to CPGI, CPGI shall transfer to the Paying Agent for deposit into the Payment Account such amount as may be required for the purpose of the payments due on the relevant Payment Date. Pursuant to PDTC Rules, the Paying Agent shall pay, or cause to be paid, on behalf of CPGI on each Payment Date the total amounts due in respect of the Bonds by crediting, net of taxes and fees, the Cash Settlement Account of the Bondholders. The Paying Agent shall generate and send to each Bondholder a credit advice of payments credited to their account. Payment by CPGI to the Paying Agent via deposit into the Payment Account shall discharge CPGI of any and all liability for the relevant payments due under the Bonds.

The principal of, and interest on, and all other amounts payable on the Bonds shall be payable in Philippine Pesos. CPGI shall ensure that so long as any of the Bonds remains outstanding, there shall at all times be a Paying Agent for purposes of the Bonds. In the event the Paying Agent shall be unable or unwilling to continue to act as such, CPGI shall appoint a qualified financial institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

7. Payment of Additional Amounts; Taxation

Interest income on the Bonds is subject to a final withholding tax at rates between 20% and 30%, depending on the tax status of the relevant Bondholder and subject to its claim of tax exemption or preferential withholding tax rates under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

a) Income tax on any gain by a holder of the Bonds realized from the sale, exchange or retirement of the said Bonds

b) The applicable final withholding tax on interest earned on the Bonds prescribed under the Tax Reform Act of 1997, as amended and its implementing rules and regulations as maybe in effect from time to time. Interest income on the Bonds is subject to a final withholding tax at rates between 20% and 30%, depending on the tax status of the relevant Bondholder and subject to its claim of tax exemption or preferential withholding tax rates under relevant law, regulation or tax treaty. An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption; (ii) a duly notarized undertaking, in the prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the Bonds for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; and (iii) such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief, which shall include a copy of the duly filed tax treaty relief application with the International Tax Affairs Division of the BIR as required under BIR Revenue Memorandum Order No. 72-2010; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent;

c) Gross Receipts Tax under Section 121 of the Tax Code;

d) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and

e) Value Added Tax ("VAT") under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337.

f) Documentary stamp tax for the primary issue of the Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

8. Financial Covenants

Until redemption or payment in full of the aggregate outstanding principal amount of the Bonds, the Issuer hereby covenants and agrees that, unless the Majority Bondholders (Majority Bondholder refers to, at any time, the Bondholder(s) who hold, represent or account for more than 50% of the aggregate outstanding principal amount of the Bonds, provided that, in respect of any matter presented for resolution at any meeting of Bondholders that affect the rights and interests of only the holders of the Three Year Bonds, the holders of the Three Year Bonds, exclusively, will be considered for quorum and approval purposes; in respect of any matter presented for resolution at any meeting of Bondholders that affect the rights and interests of only the holders of the Five Year Bonds, the holders of Five Year Bonds, exclusively, will be considered for quorum and approval purposes and in respect of any matter presented for resolution at any meeting of Bondholders that affect the rights and interests of only the holders of the Seven Year Bonds, the holders of Seven Year Bonds, exclusively, will be considered for quorum and approval purposes), shall otherwise consent in writing, it shall maintain:

a) Current Ratio of at least 1.5x to 1.0
b) Maximum total Debt-to-Equity ratio of 2.0x to 1.0
c) Debt Service Coverage Ratio of not less than 1.2x to 1.0

For purposes of computing the above ratios, the following shall have the following meanings:

a) Current Ratio means current assets over current liabilities.

b) Debt-to-Equity ratio means total debt over stockholders' equity, wherein total debt shall be comprised of current portion of the banks loans, plus bank loans (net of current portion), plus long-term loans and notes, plus Bonds.

   Based on the reviewed March 31, 2014 financials, and pro forma for a ₱2,000,000,000 offering, the projected Debt to Equity ratio of the Company will be 0.70x. Pro forma for a ₱2,000,000,000 plus the ₱1,000,000,000 over-subscription, the projected Debt to Equity ratio of the Company will be 0.79x.

c) Debt Service Coverage Ratio means the (a) sum of the Company's Cash balance, plus the Company's Debt Service for the last twelve months, divided by (b) the Company's Debt Service for the last twelve months; provided, however, that Debt Service payments made for the period pertaining to refinancing activities and rediscounting of receivables transactions sold on a with recourse basis shall be excluded in the Debt Service calculation.

   Debt Service means debt principal amortizations, interest payments, financing fees and charges during such period.

9. Negative Pledge

Until redemption or payment in full of the aggregate outstanding principal amount of the Bonds, CPGI shall not, without the written consent of the Majority Bondholders, directly or indirectly, incur or suffer to exist any Lien upon any of its assets and revenues, present and future, or enter into any loan facility agreement secured by or to be secured by a Lien upon any of its assets and revenues, present and future, unless it has made or will make effective provisions, satisfactory to the Majority Bondholders, in the Bondholders' absolute discretion, whereby the Lien thereby created will secure, equally and ratably, any and all the obligations of CPGI hereunder and such other Debt which such Lien purports to secure; that the foregoing restriction shall not apply to the following (each a "Permitted Lien" and together, the "Permitted Liens"):

a) Liens that are in existence on or prior to the Issue Date;

b) Liens for taxes, assessments or governmental charges or levies, including custom duties, on the assets of CPGI which are being contested in good faith;

c) Liens arising by operation of law (including, for the avoidance of doubt, any preference or priority under Article 2244, paragraph 14(a) of the Civil Code of the Philippines existing prior to the date of this Agreement) on any property or asset of CPGI, including, without limitation, amounts owing to a landlord, carrier, warehouseman, mechanic or materialman or other similar liens arising in the ordinary course of business or arising out of pledges or deposits under workers' compensation laws, unemployment, insurance and other social security laws;

d) Liens incurred or deposits made in the ordinary course of business to secure (or obtain letters of credit that secure) the performance of tenders, statutory obligations or regulatory requirements, performance or return of money bonds, surety or appeal bonds, bonds for release of attachment, stay of execution or injunction, bids, tenders, leases, government contracts and similar obligations) and deposits for the payment of rent;

e) Liens created on CPGI's shareholdings in Subsidiaries or affiliates (whether now existing or acquired hereafter) to secure any debt incurred by such Subsidiaries or affiliates for project financing;

f) Any other liens created pursuant to a guarantee made by CPGI in favour of a Subsidiary or affiliates (whether now existing or acquired hereafter) to secure any debt incurred by such Subsidiaries or affiliates for project financing;

g) Liens created by or resulting from any litigation or legal proceeding which is effectively stayed while the underlying claims are being contested in good faith by appropriate proceedings and with respect to which CPGI has established adequate reserves on its books in accordance with PAS/PFRS;

h) Liens arising from leases or subleases granted to others, easements, building and zoning restrictions, rights-of-way and similar charges or encumbrances on real property imposed by applicable Law or arising in the ordinary course of business that are not incurred in connection with the incurrence of a Debt and that do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of CPGI;

i) Liens incidental to the normal conduct of the business of CPGI or ownership of its properties and which are not incurred in connection with the incurrence of a Debt and which do not in the aggregate materially impair the use of such property in the operation of the business of CPGI or the value of such property for the purpose of such business;

j) Liens upon tangible personal property (by purchase or otherwise) granted by CPGI to (i) the vendor, supplier, any of their affiliates or lessor of such property, or (ii) other lenders arranged to secure Debt representing the costs of such property, or incurred to refinance the same principal amount of such purchase money debt outstanding at the time of the refinancing, and not secured by any other asset other than such property;

k) Pre-existing Liens on after-acquired property of CPGI;

l) Liens arising from financial lease, hire purchase, conditional sale arrangements or other agreements for the acquisition of assets on deferred payment terms to the extent relating only to the assets which are subject of those arrangements, subject to such financial leases, hire purchase, conditional sale agreements or other agreements for the acquisition of such assets on deferred payment terms;

m) Liens arising over any asset, including, but not limited to assets purchased, leased, or developed in the ordinary course of business, to secure: (i) the payment of the purchase price or cost of leasehold rights of such asset; (ii) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by CPGI in the ordinary course of business; (iii) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset; or (iv) the rediscounting of receivables or securitization of assets of CPGI;

n) Liens created on any property or assets of CPGI (including such equity interests) acquired, leased or developed after the Issue Date; provided however, that (a) any such lien shall be confined to the property or assets of CPGI (including such equity interests) acquired, leased or developed; (b) the principal amount of the debt encumbered by such Lien shall not exceed the cost of the acquisition or development of such property or assets or any improvements thereto and thereon; and (c) any such lien shall be created concurrently with or within one year following the acquisition, lease or development of such property or assets;

o) Liens established in favor of insurance companies and other financial institutions in compliance with the applicable requirements of the Office of the Insurance Commission on admitted assets;

p) Rights of set-off arising in the ordinary course of business between the CPGI and its suppliers, clients or customers;

q) Netting or set-off arrangement entered into by CPGI in the ordinary course of business of its banking arrangements for the purpose of netting debt and credit balances;

r) Title transfer or retention of title arrangement entered into by CPGI in the ordinary course of business;

s) Liens created in substitution for any Lien otherwise permitted provided such Lien is over the same asset and the principal amount so secured following the substitution does not exceed the principal amount secured on such asset immediately prior to such substitution;

t) Liens securing Financial Indebtedness under hedging transactions entered into in the ordinary course of business and designed solely to protect CPGI or its affiliates from fluctuations in interest rates or currencies or commodities and not for speculation

u) Any Liens in favor of banks, insurance companies, other financial institutions and Philippine government agencies, departments, authorities, corporations or other judicial entities, which secure a preferential financing obtained by CPGI (or any of its Subsidiaries) under a governmental program under which creation of a security is a prerequisite to obtain such financing, and which cover assets of CPGI which have an aggregate appraised value, determined in accordance with generally accepted appraisal principles and practices consistently applied not exceeding ₽3,500,000,000

v) The assignment, transfer or conveyance of the right of CPGI (or any of its Subsidiaries) to receive any of its income or revenues from receivables arising out of the sale of property held for sale by CPGI (or any of its Subsidiaries) in the ordinary course of business ("Project Receivables");

w) Liens, whether secured or unsecured, pursuant to additional future financial indebtedness incurred by CPGI's Subsidiaries or affiliates, subject to CPGI's compliance with the Financial Covenants;

x) Additional financial indebtedness, whether secured or unsecured, of CPGI, subject to CPGI's compliance with the Financial Covenants;

y) Any Lien to be constituted on the assets of CPGI after the date of the Trust Indenture which is disclosed in writing by CPGI to the Trustee prior to the execution of the Trust Indenture and any similar Lien with an aggregate loan accommodation not exceeding five percent (5%) of the market value of the consolidated assets of CPGI as reflected in the latest appraisal report submitted by an independent and reputable appraiser.

z) Any refinancing, renewal or extension of any of the liens described in the foregoing clauses which is limited to the original property or assets of CPGI (including such equity interests) covered thereby;

aa) Liens created with the prior written consent of the Majority Bondholders.

10. Events of Default

CPGI shall be considered in default under the Bonds and the Trust Indenture in case any of the following events (each an "Event of Default") shall occur and is continuing:

a) Payment Default

CPGI fails to pay any of the principal, interest and fees or any other sum payable by CPGI under the Bonds, as and when due and payable at the place and in the currency in which it is expressed to be payable; and such failure, if due to causes other than the willful misconduct or gross negligence of CPGI, is not remedied within three (3) Business Days from receipt by CPGI of written notice of such non-payment from the Trustee; provided, however, that, the amount due for payment during the said 3-Business Day remedy period shall be subject to the interest specified in the Trust Indenture

b) Representation Default

Any representation or warranty made or repeated by CPGI in any of the Bonds is incorrect or misleading in any material respect when made or deemed to have been made or repeated, and the same is not cured within a period of thirty (30) days (or such longer period as the Majority Bondholders shall approve) after written notice of such failure given by the Trustee is received by CPGI.

c) Other Provisions Default

CPGI fails to perform or comply with any provision, term, condition, obligation or covenant found in the Trust Indenture, the Registry and Paying Agency Agreement between the Issuer and the Registrar and Paying Agent, and the Underwriting Agreement between the Issuer and the Issue Manager, Underwriters and Bookrunners, or any document, certificate or writing contemplated thereby (the "Bond Agreements") which would materially and adversely affect the ability of CPGI to meet its obligations under the Bond Agreements and such failure is not remediable or, if remediable,, shall continue to be unremedied during the applicable grace period or, in the absence of such grace period, within a period of thirty (30) days after written notice of such failure given by the Trustee is received by CPGI.

d) Cross Default

CPGI violates any material term or condition of any contract executed by CPGI with any bank, financial institution or other person, corporation or entity for borrowed money which constitutes an event of default under said contract, or in general, violates any law or regulation, which violation, if remediable, is not remedied by CPGI within ten (10) Business Days from receipt of notice by the Trustee to CPGI, or which violation is otherwise not contested by CPGI, and the effect of such violation results in the acceleration or declaration of the whole financial obligation to be due and payable prior to the stated normal date of maturity; and which violation shall in the reasonable opinion of the Trustee, acting for the Majority Bondholders, adversely and materially affect the performance by CPGI of its obligations under the Trust Indenture and the Bonds; provided, however, that, no event of default shall occur under this paragraph unless the aggregate amount of indebtedness in respect of which one or more of the events above mentioned has/have occurred equals or exceeds ₱500,000,000.00.

e) Inability to Pay Debts; Bankruptcy Default

CPGI becomes insolvent or unable to pay its Debts when due or commits or suffers any act of bankruptcy, which term shall include: (i) the filing of a petition, by or against CPGI, in any bankruptcy, insolvency, administration, suspension of payment, rehabilitation, reorganization (other than a labor or management reorganization), winding-up, dissolution, moratorium or liquidation proceeding of CPGI, or any other proceeding analogous in purpose and effect, unless for such petition filed against CPGI, it is contested in good faith by CPGI in appropriate proceedings or otherwise dismissed by the relevant court within sixty (60) days from the filing of such petition; (ii) the making of a general assignment by CPGI for the benefit of its creditors; (iii) the admission in writing by CPGI, through its President, Chief Executive Officer, Chief Operating Officer or Chief Finance Officer, of its general inability to pay its Debts; (iv) the entry of any order of judgment of any competent court, tribunal or administrative agency or body confirming the bankruptcy or insolvency of CPGI or approving any reorganization, winding-up or liquidation of CPGI, unless withdrawn or revoked by the appropriate court, tribunal or administrative agency or body within sixty (60) days from entry of such order of judgment; (v) the lawful appointment of a receiver or trustee to take possession of a substantial portion of the properties of CPGI, unless contested in good faith by CPGI in appropriate proceedings; or (vi) the taking of any corporate action by CPGI to authorize any of the foregoing, unless withdrawn or rescinded within sixty (60) days from the taking of such action.

f) Expropriation

Any act or deed or judicial or administrative proceedings in the nature of an expropriation, confiscation, nationalization, acquisition, seizure, sequestration or condemnation of or with respect to all or a material part of the business and operations of CPGI, or all or substantially all of the property or assets of CPGI, shall be undertaken or instituted by any Governmental Authority, unless such act, deed or proceeding is otherwise contested in good faith by CPGI in an appropriate proceeding.

g) Judgment Default

A final and executory judgment, decree or order for the payment of money, damages, fine or penalty in excess of ₱500,000,000.00 or its equivalent in any other currency is entered against CPGI and (i) CPGI has failed to demonstrate to the reasonable satisfaction of the Majority Bondholders within thirty (30) days of the judgment, decree or order being entered that it is reasonably certain that the judgment, decree or order will be satisfied, discharged or stayed within thirty (30) days of the judgment, decree or order being entered, or (ii) the said final judgment, decree or order is not paid, discharged, stayed or fully bonded within thirty (30) days after the date when payment of such judgment, decree or order is due.

h) Attachment

An attachment or garnishment of or levy upon any of the properties of CPGI is made which materially and adversely affects the ability of CPGI to pay its obligations under the Bonds and is not discharged or stayed within thirty (30) days (or such longer period as CPGI satisfies the Majority Bondholders is appropriate under the circumstances) of having been so imposed.

i) Contest

CPGI (acting through its President, Chief Executive Officer, Chief Operating Officer or Chief Finance Officer) shall contest in writing the validity or enforceability of the Bonds or shall deny in writing the general liability of CPGI under the Bonds.

CPGI shall promptly deliver to the Trustee written notice of any Event of Default upon CPGI becoming aware of such Event of Default. The Trustee shall notify the Bondholders of the receipt of any such certificate or notice.

The Trustee may call for and rely on a resolution of the Majority Bondholders to determine whether an Event of Default is capable or incapable of remedy and/or an event may adversely and materially affect the performance by CPGI of its obligations under the Trust Indenture and the Bonds.

11. Consequences of Default

If any one or more of the Events of Default shall have occurred and be continuing, the Trustee upon the written direction of the Majority Bondholders and by notice in writing delivered to CPGI, or the Majority Bondholders, by notice in writing delivered to CPGI and the Trustee, may declare all amounts due, including the principal of the Bonds, all accrued interest and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, anything contained in the Trust Indenture or in the Bonds to the contrary notwithstanding.

This provision, however, is subject to the condition that except in the case of an Event of Default specified as a writ or similar process default, the Majority Bondholders, by written notice to the Issuer and the Trustee may, during the prescribed curing period, if any, rescind and annul such declaration and its consequences upon such terms, conditions and agreement, if any, as they may determine; provided that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

At any time after any Event of Default shall have occurred, the Trustee may:

i. By notice in writing to CPGI, require the Registrar and Paying Agent to:

    a. act thereafter as agents of the Bondholders represented by the Trustee on the terms provided in the Paying Agency and Registry Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agent and the Registrar shall be limited to amounts for the time being held by the Trustee on the trusts of the Trust Agreement in relation to the Bonds and available to the Trustee for such purpose) and thereafter to hold all sums, documents and records held by them in respect of the Bonds on behalf of the Trustee; and/or

    b. deliver all evidence of the Bonds and all sums, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee shall direct in such notice; provided that, such notice shall be deemed not to apply to any document or record which the Registrar and Paying Agent is not obliged to release by any law or regulation; or

ii. by notice in writing to CPGI, require CPGI to make all subsequent payments in respect of the Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, provision (b) above and CPGI's positive covenant to pay principal and interest, net of applicable withholding taxes, on the Bonds, more particularly set forth in the Trust Agreement, shall cease to have effect.

In case any amount payable by CPGI under the Bonds, whether for principal, interest or otherwise, is not paid on due date, CPGI shall, without prejudice to its obligations to pay the said principal, interest, net of withholding taxes, and other amounts, pay Penalty Interest on the defaulted amount(s) from the time the amount falls due until it is fully paid.

12. Notice of Default

The Trustee shall, within ten (10) days after receipt of notice of or actual knowledge of the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of payment default under Section 10 (a) above, the Trustee shall immediately notify the Bondholders upon the Trustee's receipt of notice or actual knowledge of the occurrence of such payment default. The existence of a written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in the Philippines for two consecutive days, further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain an important notice regarding the Bonds at the principal office of the Trustee upon presentment of sufficient and acceptable identification.

13. Penalty Interest

In case any amount payable by the Issuer under the Bonds, whether for principal, interest, fees due to Trustee or Registrar or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest and other amounts, pay penalty interest on the defaulted amount(s) at the rate that is 12% over and above the Interest Rate (the “Penalty Interest”) from the time the amount falls due until it is fully paid.

14. Payment During Default

CPGI hereby covenants that in case any Event of Default shall occur and be duly declared in accordance with these Terms and Conditions, then, in any such case, CPGI will pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Bonds with interest at the rate borne by the Bonds on the overdue principal, net of applicable withholding taxes, and with Penalty Interest, and in addition thereto, CPGI will pay to the Trustee the actual amounts to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without gross negligence or bad faith by the Trustee hereunder.

15. Application of Payments

Any money collected or delivered to the Paying Agent, under these Terms and Conditions, and any other funds held by it, subject to any other provision of the Trust Indenture, the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first,* to the payment to the Trustee and the Registrar, and the Paying Agent, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without gross negligence or bad faith; *second,* to the payment of the interest in default, net of applicable withholding taxes, in the order of the maturity of such interest with Penalty Interest; *third,* to the payment of the whole amount then due and unpaid upon the Bonds for principal and interest, with Penalty Interest; and *fourth,* the remainder, if any shall be paid to CPGI, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. The Paying Agent shall render a monthly account of such funds under its control.

16. Prescription

Claims with respect to principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

17. Remedies

All remedies conferred by the Trust Indenture to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Indenture, subject to the Bondholders’ Ability to File Suit as defined in Condition 18 of these Terms and Conditions.

No delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Indenture to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

18. Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Indenture to institute any suit, action or proceeding for the collection of any sum due from CPGI hereunder on account of principal, interest, net of applicable withholding taxes, and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless the following conditions are all present (i) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Bonds; (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in its own name; (iii) the Trustee for sixty (60) days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Indenture to affect, disturb or prejudice the rights of the holders of any other such Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders.

19. Waiver or Revocation of Default by the Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or may on behalf of the Bondholders waive any past Default except the events of default defined as payment default, representation default, cross default, or inability to pay debts or bankruptcy default, and its consequences.

In case of any such waiver or revocation, CPGI, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder; but no such waiver or revocation shall extend to any subsequent or other Default or impair any right arising therefrom. Any such waiver or revocation by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Bonds.

The Trustee shall, within five (5) Business Days after receipt of the written waiver from the Majority Bondholders of any Event of Default or revocation of any default previously declared, give to the Bondholders written notice of such waiver, or revocation known to it via publication in a newspaper of general circulation in the Philippines for two (2) consecutive days as soon as practicable, indicating in the published notice an Event of Default has occurred and has been waived or a declaration of a default has been revoked by the Majority Bondholders.

20. Trustee; Notices

a) To the Trustee

All documents required to be submitted to the Trustee pursuant to the Trust Indenture and this Prospectus and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee:

Attention: Atty. Susan Marie Atienza
Subject: CPGI Retail Bonds due 2 September 2017, 2 March 2020 and 2 September 2021
Address: BDO Unibank, Inc. – Trust and Investment Group
15th Floor South Tower, BDO Corporate Center
7899 Makati Avenue, Makati City
Facsimile: (632) 878 4271
Telephone: (632) 878 4270
Email: atienza.s@bdo.com.ph

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

b) To the Bondholders

Notices to Bondholders shall be sent to their mailing address as set forth in the Electronic Registry of Bondholders when required to be made through registered mail, surface mail, electronic mail, in case the Bondholder has provided his email address to the Trustee in the Application to Purchase the Bonds or in writing to the Trustee with instruction to send notices by electronic mail, or personal delivery. Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; (iv) personal delivery to the address of record in the Electronic Registry of Bondholders; (v) electronic mail; or (vi) disclosure through the Online Disclosure System of the PDEx. The Trustee shall rely on the Electronic Registry of Bondholders in determining the Bondholders entitled to notice. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on date of publication; (iv) on date of delivery, by personal delivery. If sent via registered mail, surface mail, courier or personal delivery, the Trustee shall send such notice to the Bondholders to their mailing address as set forth in the Electronic Registry of Bondholders; (v) on date of transmission from the electronic mail server of the Trustee; and (vi) on the date that the disclosure is uploaded on the website of the PDEx, respectively.

A notice to the Trustee is notice to the Bondholders. The publication in a newspaper of general circulation in the Philippines of a press release or news item about a communication or disclosure made by CPGI to the Securities and Exchange Commission or the PDEx on a matter relating to the Bonds shall be deemed a notice to the Bondholders of said matter on the date of the first publication.

c) Binding and Conclusive Nature

Except as provided in the Trust Indenture, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Indenture, will (in the absence of willful default, bad faith or manifest error) be binding on CPGI and all Bondholders, and (in the absence as referred to above) no liability to CPGI, the Registrar and Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Indenture.

21. The Trustee

a) Duties and Responsibilities

(i) The Trustee is hereby appointed as trustee for and in behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as expressly provided in herein.

(ii) The Trustee shall, in accordance with these Terms and Conditions, monitor the compliance or non-compliance by CPGI with all its representations and warranties, and CPGI's observance of all its covenants and performance of all its obligations, under and pursuant to the Bond Agreements.

(iii) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture and these Terms and Conditions.

(iv) The Trustee, in the performance of its duties, shall exercise such rights and powers vested in it by the Trust Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs under similar circumstances.

(v) The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Indenture. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters that must be taken up with the Issuer.

b) Liability of the Trustee

No provision of the Trust Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own gross negligent failure to act or its willful misconduct, provided that:

(i) Prior to the occurrence of an Event of Default or after the curing or the waiver of all Events of Default which may have occurred, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely upon, as to the truth of the statements and the correctness of the opinion expressed in, any certificate or opinion furnished to the Trustee conforming to the requirements of the Trust Indenture. The Trustee may presume that no Event of Default has occurred until it has received notice or has actual knowledge thereof;

(ii) The Trustee shall not be liable for any error of judgment made in good faith by its responsible officer or officers, unless it shall be proven that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Majority Bondholders relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under the Trust Indenture.

None of the provisions contained in the Trust Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

c) Ability to Consult Counsel

(i) The Trustee may consult with reputable counsel in connection with the duties to be performed by the Trustee under the Trust Indenture and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted to be taken by the Trustee hereunder in good faith and in accordance with such opinion; provided that, prior to taking or not taking such action for which opinion of counsel is sought, the Trustee shall inform CPGI of the relevant opinion of counsel; provided further that, the Trustee shall not be bound by the foregoing condition to inform CPGI of counsel's opinion if the opinion of counsel which is being sought by the Trustee pertains to, or involves actions to be undertaken due to, an Event of Default or issues pertaining thereto.

(ii) Notwithstanding any provision of the Trust Indenture authorizing the Trustee conclusively to rely upon any certificate or opinion, the Trustee may, before taking or refraining from taking any action in reliance thereon, require further evidence or make any further investigation as to the facts or matters stated therein which it may in good faith deem reasonable in the circumstances; and the Trustee shall require such further evidence or make such further investigation as may reasonably be requested in writing by the Majority Bondholders.

d) The Trustee as Owner of the Bonds

The Trustee, in its individual or any other capacity, may become a holder of the Bonds with the same rights it would have if it were not the Trustee and the Trustee shall otherwise deal with CPGI in the same manner and to the same extent as though it were not the Trustee hereunder; provided, that such ownership shall not be considered a conflict of interest requiring resignation or change of the Trustee under Condition 21(e).

e) Resignation and Change of Trustee

(i) The Trustee may at any time resign by giving ninety (90) days prior written notice to CPGI and to the Bondholders of such resignation.

(ii) Upon receiving such notice of resignation of the Trustee, CPGI shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted such appointment within thirty (30) days after the resigning Trustee has served its notice of resignation on CPGI, the resigning Trustee, may petition the court of competent jurisdiction for the appointment of a successor, or any Bondholder who has been a bona fide holder for at least six months (the "bona fide Bondholder") may, for and on behalf of the Bondholders, petition any such court for the appointment of a successor. Such a court may thereupon after notice, if any, as it may deem proper, appoint a successor trustee.

(iii) A successor trustee should possess all the qualifications required under pertinent laws, otherwise, the incumbent trustee shall continue to act as such.

(iv) Upon the acceptance of any appointment as trustee hereunder by a successor trustee, such successor trustee shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning Trustee, and the resigning Trustee shall be discharged from its duties and obligations hereunder. The resigning Trustee shall cooperate with the successor trustee and the Bondholders in all reasonable ways to ensure an orderly turnover of its functions and the records in its custody.

(v) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee, or of its property shall be appointed, or any public officer shall take charge or control of the Trustee, or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then CPGI may within thirty (30) days from such event remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee. If CPGI fails to remove the Trustee concerned and appoint a successor trustee, any bona fide Bondholder shall petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee.

(vi) The Majority Bondholders may at any time remove the Trustee for just and reasonable cause, and appoint a successor trustee with the consent of CPGI, provided that no consent shall be required if there has been an occurrence of an Event of Default, by the delivery to the Trustee so removed, to the successor trustee and to CPGI, of the required evidence of the action in that regard taken by the Majority Bondholders. Such removal shall take effect thirty days from receipt of such notice by the Trustee.

(vii) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any of the provisions of the Trust Indenture shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Indenture; or (ii) the effectivity of the resignation notice sent by the Trustee under the Trust Indenture (the "Resignation Effective Date") provided, however, that after the Resignation Effective Date and, as relevant, until such successor trustee is qualified and appointed (the "Holdover Period"), the resigning Trustee shall discharge duties and responsibilities solely as a custodian of records for turnover to the successor Trustee promptly upon the appointment thereof by CPGI.

f) Successor Trustee

(i) Any successor trustee appointed shall execute, acknowledge and deliver to CPGI and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as trustee in the Trust Indenture. The foregoing notwithstanding, on the written request of CPGI or of the successor trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trusteeship herein expressed, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request of any such successor trustee, CPGI shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.

(ii) Upon acceptance of the appointment by a successor trustee, CPGI shall notify the Bondholders in writing of the succession of such trustee to the trusteeship. If CPGI fails to notify the Bondholders within ten (10) days after the acceptance of appointment by the successor trustee, the latter shall cause the Bondholders to be notified at the expense of CPGI.

g) Merger or Consolidation

Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party or any corporation succeeding to the business of the Trustee shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that, such successor trustee shall be eligible under the provisions of the Trust Indenture and the Securities Regulation Code; however, where such successor trustee is not qualified under the pertinent Laws, then the provisions of Condition 21(e) and (v) shall apply.

(h) Reliance

In the performance of its obligations under the Trust Indenture, the Trustee is entitled to rely on the records of the Registrar and Paying Agent, but shall exercise the degree of care and skill as a prudent man would exercise or use under the circumstances in the conduct of his own affairs under similar circumstances.

22. Reports to the Bondholders

a) Only upon the existence of either (i) and (ii) below, the Trustee shall submit to the Bondholders on or before July 30 of each year from the relevant Issue Date until full payment of the Bonds, a brief report dated as of December 31 of the immediately preceding year with respect to:

(i) The property and funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report which shall be based on the report to be given by the Paying Agent to the Trustee; and

(ii) Any action taken by the Trustee in the performance of its duties under the Trust Indenture which it has not previously reported and which in its opinion materially affects the Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.

b) The Trustee shall likewise submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10%) of the aggregate outstanding principal amount of the Bonds at such time.

c) Upon due notice to the Trustee, the following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:

(i) Trust Indenture;
(ii) Articles of Incorporation and By-Laws of the CPGI; and
(iii) Registration Statement of CPGI with respect to the Bonds.

23. Meetings of the Bondholders

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or on behalf of the Bondholders of any specified aggregate principal amount of Bonds under any other provisions of the Trust Indenture or under the law and such other matters related to the rights and interests of the Bondholders under the Bonds.

a) Notice of Meetings

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds may direct in writing the Trustee to call a meeting of the Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to CPGI and to each of the registered Bondholders not earlier than forty five (45) days prior to the date fixed for the meeting nor later than fifteen (15) days prior to the date fixed for the meeting. Each of such notices shall be published in a newspaper of general circulation as provided in the Trust Indenture. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported billing statement.

b) Failure of the Trustee to Call a Meeting

In case CPGI or the holders of at least twenty five percent (25%) of the aggregate outstanding principal amount of the Bonds shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then CPGI or the Bondholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

c) Quorum

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The presence of the Majority Bondholders shall be necessary to constitute a quorum to do business at any meeting of the Bondholders.

d) Procedure for Meetings

(i). The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by CPGI or by the Bondholders, in which case CPGI or the Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.

(ii). Any meeting of the Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

e) Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one (1) or more Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one vote for every Ten Thousand Pesos (₱10,000.00) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of CPGI and its legal counsel.

f) Voting Requirement

All matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Indenture. Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as provided in the Trust Indenture shall be binding upon all the Bondholders and CPGI as if the votes were unanimous.

g) Role of the Trustee in Meetings of the Bondholders

Notwithstanding any other provisions of the Trust Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of the Bonds, the appointment of proxies by registered holders of the Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

24. Amendments

The Issuer and the Trustee may, without notice to or the consent of the Bondholders or other parties, amend or waive any provisions of the Bond Agreements if such amendment or waiver is of a formal, minor, or technical nature or to correct a manifest error or inconsistency provided in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders and provided further that all Bondholders are notified of such amendment or waiver.

CPGI and the Trustee may amend these Terms and Conditions or the Bonds without notice to every Bondholder but with the written consent of the Majority Bondholders (including consents obtained in connection with a tender offer or exchange offer for the Bonds). However, without the consent of each Bondholder affected thereby, an amendment may not:

a) reduce the amount of Bondholder that must consent to an amendment or waiver;

b) reduce the rate of or extend the time for payment of interest on any Bond;

c) reduce the principal of or extend the Maturity Date of any Bond;

d) impair the right of any Bondholder to receive payment of principal of and interest on such Holder's Bonds on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such Bondholders;

e) reduce the amount payable upon the redemption or repurchase of any Bond under the Terms and Conditions or change the time at which any Bond may be redeemed;

f) make any Bond payable in money other than that stated in the Bond;

g) subordinate the Bonds to any other obligation of CPGI other than the Permitted Lien;

h) release any security interest that may have been granted in favor of the Bondholders;

i) amend or modify the Payment of Additional Amounts (Condition 7), Taxation, the Events of Default of the Terms and Conditions (Condition 10) or the Waiver of Default by the Bondholders (Condition 19); or

j) make any change or waiver of this Condition.

It shall not be necessary for the consent of the Bondholders under this Condition to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Condition becomes effective, CPGI shall send a notice briefly describing such amendment to the Bondholders in the manner provided under Condition 20 (Notices).

25. Evidence Supporting the Action of the Bondholders

Wherever in the Trust Indenture it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing or (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith or (iii) a combination of such instrument and any such record of meeting of the Bondholders.

26. Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that he has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature with respect to its obligations under the Trust Indenture, except for its gross negligence or willful misconduct.

27. Waiver of Preference or Priority

Each Bondholder waives its right to the benefit of any preference or priority over the Bonds accorded to public instruments under Article 2244(14) of the Civil Code of the Philippines.

28. Governing Law

The Bond Agreements are governed by and are construed in accordance with Philippine law. Unless otherwise stipulated in other bond agreements, venue of any and all actions arising from or in connection with the issuance of the Bonds shall be brought before the proper courts of Makati City to the exclusion of all other courts.

INTERESTS OF NAMED EXPERTS

LEGAL MATTERS

All legal opinion/matters in connection with the issuance of the Bonds that are subject of this Offer shall be passed upon by Angara Concepcion Regala & Cruz Law Offices ("ACCRALAW") for the Issue Manager, Lead Underwriters, and Bookrunners, and Puno & Puno Law Offices ("Puno") and CPGI's legal division for the Company. ACCRALAW and Puno have no direct or indirect interest in CPGI. ACCRALAW and Puno may, from time to time, be engaged by CPGI to advise in its transactions and perform legal services on the same basis that they provide such services to their other clients.

The named independent legal counsels have not acted and will not act as promoter, underwriter, voting trustee, officer, or employee of the Company.

INDEPENDENT AUDITORS

SGV & Co., independent auditors, audited the consolidated financial statements of the Company as at December 31, 2013, 2012, and 2011 and for the years ended December 31, 2013, 2012, and 2011 without qualification, all included in this Prospectus. SGV & Co. has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and Professional Regulation Commission.

The named independent auditor has not acted and will not act as promoter, underwriter, voting trustee, officer, or employee of the Company.

The Company has not had any disagreements on accounting and financial disclosures, or auditing scope or procedure, with its current external auditor for the same periods or any subsequent interim period.

AUDIT AND AUDIT-RELATED FEES

The following table sets out the aggregate fees billed for each of the last two fiscal years and interim first quarter 2014 for professional services rendered by SGV & Co.

	2014	2013	2012
Audit and audit-related fees	₱3.7 million	₱2.9 million	₱2.8 million

In addition to above, SGV & Co. has performed tax-related services in 2013 and 2014 with total fees of ₱2,961,610.

The Audit Committee recommends to the Board of Directors the discharge or nomination of the external auditor to be proposed for approval at CPGI's annual shareholders meeting, approves all audit engagement fees and terms of the external auditor, and reviews its performance. It also reviews and discusses with management and the external auditors the results of the audit, including any difficulties encountered. This review includes any restrictions on the scope of the external auditor's activities or on access to requested information, and any significant disagreements with management. The Audit Committee also evaluates, determines and pre-approves any non-audit service provided to the Company and its subsidiaries by the external auditors and keep under review the non-audit fees paid to the external auditors both in relation to their significance to the auditor and in relation to the total expenditure on consultancy.

No engagement for other services from SGV and Co. either for professional services, tax accounting compliance, advise, planning and any other form of tax services nor any services rendered for products and services other than the aforementioned audit services.

DESCRIPTION OF BUSINESS

OVERVIEW

CPGI is one of the leading real estate companies in the Philippines with 28 years of experience. According to Colliers International, it ranked third in terms of Metro Manila residential market share by value of units sold for the full year December 31, 2013. The Company is primarily engaged in the development, marketing, and sale of mid- and high-rise condominiums, retail leasing and property management.

Currently, the Company has five wholly-owned subsidiaries namely Century City Development Corporation, Century Limitless Corporation, Century Communities Corporation, Century Properties Management, Inc. and Century Properties Hotel and Leisure, Inc. (collectively known as the "Subsidiaries"), and an associate called A2 Global, Inc. Through its Subsidiaries and Associate, CPGI develops, markets and sells residential, office, medical and retail properties in the Philippines, as well as manages residential and commercial properties in the Philippines.

As of June 30, 2014, the Company completed 6 condominium buildings (5,009 units) with a total GFA (with parking) of 354,313 sq.m, and a commercial building with 49,143 sq.m of GFA (with parking). The roster of noteworthy developments include the award-winning Essensa East Forbes ("Essensa") in Fort Bonifacio, South of Market ("SOMA") in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas, collection of French-inspired condominiums in Makati City called Le Triomphe, Le Domaine and Le Metropole and the Gramercy Residences in Century City, Makati City. The Company also opened for operations the Century City Mall in March 2014, its initial foray into retail development

Currently, the Company is developing five master-planned communities that is expected to have 31 condominiums with a total expected GFA of 1,669,325 sq.m, commercial buildings and 934 single detached homes. These five master-planned communities are:

- ***Century City*** – A 3.4-hectare mixed-use project in Makati City with eight buildings covering a total planned GFA (with parking) of 643,176 sq.m. The Company completed The Gramercy Residences, The Knightsbridge Residences and the Century City Mall. There are five additional ongoing projects including The Milano Residences (interior design by Versace Home); Centuria Medical Makati, Trump Tower Manila, Century Spire designed by world renowned architect Daniel Libeskind and interior designed by Giorgio Armani S.P.A., and an office building in partnership with Forbes Media LLC. These five ongoing projects have projected completion dates from 2014 up to 2019.

- ***Acqua Private Residences*** – Located in Mandaluyong City, this development comprises six towers with views of the Makati City skyline and will feature a country club with fitness, retail, dining and entertainment facilities, as well what is expected to be the first riverwalk promenade in the Philippines. These six towers have projected completion dates from 2015 up to 2019.

- ***Azure Urban Resort Residences*** – CPGI's first property in the affordable market segment, Azure Urban Resort Residences is a nine building residential property set on six-hectares in Parañaque City. The development features what is expected to be the first man-made beach in an urban residence in Manila and a beach club designed by

Paris Hilton. The first three towers have been completed, and the remaining six towers are projected to be completed from 2015 to 2018.

- ***Commonwealth*** – It is a 4.4-hectare project of CPGI and its first masterplanned residential community development in Quezon City. The eight-tower project will rise in Commonwealth Avenue within the vicinity of a shopping center, top schools, techno hubs, churches and major thoroughfares. The Commonwealth by Century residential package includes livable unit layouts with extended balconies, distinctive amenities that encourage outdoor and holistic social interaction, a community with open spaces, greenery and waterscapes; and round the clock safety and security systems for the peace of mind of all residents. The project's unique architectural design, spacious unit layouts and pioneering amenities aim to redefine the standards of living in Quezon City. These eight towers have completion dates from 2015 up to 2019.

- ***Canyon Ranch*** – A 25-hectare house and lot community that is part of the 77-hectare San Lazaro Leisure Park in Cavite City targeted for middle-income buyers. The community features a clubhouse with sports and leisure facilities and offers residents views of the Leisure Park which includes one of only two operating horse racing tracks in the Philippines.

The Company's land bank for future development consists of properties in Pampanga, Quezon City and Batangas that cover a site area of 2,000,970 sqm.

The Company, through CPMI also engages in a wide range of property management services, from facilities management and auction services, to lease and secondary sales. Through CPMI, the Company endeavors to ensure the properties it manages maintain and improve their asset value, and are safe and secure. CPMI manages 51 projects as of June 30, 2014 with 2.56 million square meters GFA of managed properties and 86% of the projects CPMI manages were developed by third-parties. Notable third-party developed projects under management include the Asian Development Bank in Ortigas, BPI Buendia Center in Makati City, Philippine National Bank Financial Center in Pasay City, Pacific Star Building in Makati City, Makati Medical Center in Makati City and three Globe Telecom buildings in Cebu, Mandaluyong and Makati City, respectively.

CPGI's aim is to enhance the overall quality of life for Filipinos and foreign nationals by providing distinctive, high-quality and affordable properties. CPGI focuses on differentiation to drive demand, increase its margins and grow market share. In particular, CPGI identifies what the Company believes are the best global residential standards and adopts them to the Filipino market. CPG believes that it has earned a reputation for pioneering new housing concepts in the Philippines. One of CPGI's significant contributions is the Fully-Fitted and Fully-Furnished ("FF/FF") concept, which is now an industry standard in the Philippines. The Company also employs a branding strategy that focuses on strategic arrangements with key global franchises to help capture and sustain consumers' awareness. To date, CPGI has entered into agreements with Gianni Versace S.P.A., The Trump Organization), Paris Hilton, Missoni Homes, Yoo by Philippe Starck, Forbes Media Group LLC, Giorgio Armani S.P.A, among others.

CPGI has marketed and sold to clients in more than 50 countries and, as a result, a significant portion of its residential properties are sold to Filipinos living abroad. International pre-sales accounted for approximately two-thirds of the total pre-sales, in terms of value, for each of the last three years. CPGI conduct its sales and marketing through the Company's extensive domestic and international network of 3,506 agents and brokers as of December 31, 2013.

CORPORATE HISTORY AND STRUCTURE

History

CPGI, formerly EAPRC, was originally incorporated on March 23, 1975 as Northwest Holdings and Resources Corporation. On September 26, 2011, the Board of Directors of EAPRC approved the change in the Company's corporate name to its present name, as well as the change in its primary business purpose from power generation to that of a holding company and real estate business. Between May and November 2011, CPGI entered into a series of transactions with EAPRC, a corporation organized under the laws of the Philippines and listed on the Philippine Stock Exchange, whereby, among other things, CPI acquired 96.99% of EAPRC's common shares and EAPRC acquired all of the Subsidiaries of CPGI.

CPGI currently undertakes real estate projects and developments through its Subsidiaries and an Associate. Through such Subsidiaries and Associate, the Company develops, markets and sells residential, office, medical and retail properties as well as manages residential and commercial properties in the Philippines.

Chairman Jose E.B. Antonio spearheaded the Company's formation with the vision of becoming one of the Philippines' top five real estate sales and development firms as measured by total sales value.

After experiencing the sales and marketing aspects of the real estate industry, the founders of the Company established Meridien Land Holdings, Inc., Meridien East Realty and Development Corporation, Meridien Far East Development Corporation, and other related entities ("Meridien") to focus primarily on developing mid-market central business district high-rise projects. Chairman Jose E.B. Antonio has a 40% ownership stake in Meridien. Through Meridien, the Company developed its first project, Le Grand in Makati City, to cater to the middle market segment, and subsequently developed Le Triomphe, Medical Plaza Makati, Medical Plaza Ortigas, SOHO Central, South of Market and Essensa.

In 1989, CPMI was established as the first professional real estate management company in the Philippines, to handle property management services. CPMI manages 51 projects as of June 30, 2014, including properties such as the Asian Development Bank, Philippine National Bank Headquarters, BPI Buendia Center, Pacific Star Building and Makati Medical Center. Of the total CPMI's projects under management, 86% of the properties were not developed by the Company, underscoring CPMI's reputation in the market.

CPI, the parent of the Company, was incorporated in 1983 and began operations in 1986. It was primarily organized to focus on marketing and sales for third-party real estate developers. CPI continued its operations throughout the 1990s, and established itself as an innovative, high-quality property developer in the central business districts of the Philippines. In 1997, the Company began developing what it believes is one of the most prestigious residential buildings in the country, the Essensa East Forbes. Designed by the architectural firm Pei Cobb Freed & Partners, which was founded by Pulitzer Prize winning architect I.M. Pei, the architect of the Grand Louvre in Paris and the Bank of China Tower in Hong Kong, Essensa utilized high quality materials in its design such as travertine stone quarried from the same source as the Coliseum in Rome.

In 2004, CPI further expanded its property development business when it embarked on developing its first large-scale house-and-lot development, Canyon Ranch. Located in Carmona, Cavite, this 25-hectare gated community is situated in the portion of the San Lazaro Leisure Park owned by the Manila Jockey Club, Inc. Canyon Ranch officially marked the Company's entry into mid-market horizontal developments, catering to modern families who prefer a quiet suburban life.

In 2006, leveraging on its experience in developing high-quality buildings and infrastructure, CCDC, a subsidiary of CPGI expanded its business into developing large-scale mixed-use properties by acquiring a lot that was previously occupied by the International School of Manila in the central business district of Makati City. CCDC designated this area as the location of one of its most ambitious projects to date, Century City, which is expected to include eight buildings. Currently, three buildings have been completed with five others in different stages of development. Completed projects are The Gramercy Residences and The Knightsbridge Residences and the Century City Mall. Under development are The Milano Residences, Trump Tower Manila, Century Spire, Forbes Media Tower, and Centuria Medical Makati. Upon completion, the Company believes that Century City will be one of the pre-eminent mixed-use communities in Makati City.

In 2008, observing the demand for housing in the affordable market, CLC, a subsidiary of CPGI, expanded its product line into providing condominiums for the affordable to middle-income segment of the market. It launched its first project, Azure Urban Resort Residences in December 2009 with the aim of providing housing for young couples, families, OFWs and other consumers seeking an urban beach resort lifestyle.

In 2011, CLC launched Acqua Private Residences, a residential community in Mandaluyong City. At completion, the project will have six towers with over 3,000 units. At the end of 2013, five of the six buildings have already been launched and are in various stages of construction. These are Niagara, Sutherland, Dettifoss, Livingstone interior design by MISSONIHOME, and Iguazu yoo inspired by Starck.

In 2012, CLC launched its first project in Quezon City called The Residences at Commonwealth by Century, which will cater to the affordable market. The community will have eight mid-rise towers, with over 2,900 units. The first tower is at structural completion, while the second and third towers are undergoing foundation works.

In September 2013, CCDC completed the Century City Mall, its first retail mall with total GFA of 49,123 sq.m and is 99% leased and 100% reserved as of March 2014. The retail mall was designed to cater to residents, employees and patients of Century City, as well as residents of surrounding communities. CPGI also completed the Knightsbridge Residences in Century City, as well as turned over the Rio and Santorini buildings in Azure Urban Residences.

A2Global Inc., an associate, was also incorporated in 2013. It is a newly formed company wherein CPGI has a 49% shareholdings stake. A2Global shall act as a sub-lessee for the project initiatives of Asian Carmakers Corporation (ACC) and Century Properties Group Inc. in the development and construction commercial office in Fort Bonifacio.

Within its projects of Century City, Acqua, and Fort, the Company expects to complete an additional 99,970sqm of commercial leasing space to build its recurring income base. Commercial properties to be built include an office building in Fort Bonifacio, the Forbes Media Tower in Century City, a condotel at Acqua Private Residences, and an office component at Century Spire, with the latter two forming part of Century City’s office block and supplementing the mall as marquee projects.

In its 28 years of operations, the Company expanded and diversified its services, developments, products, and market segments. It aims to provide specialized service to each of its projects and its potential clients. Since its incorporation in 1983, the Company has grown to 396 full time employees, excluding sales agents, construction and property management, as of the end of December 31, 2013.

COMPLETED / TURNED OVER PROJECTS AS OF JUNE 30, 2014

Residential Projects*	Developer	Location	Type	GFA (with parking) sq. m.	Units	Year Completed	% Sold Units**
Grand SOHO Makati	CPI	Makati City	Residential	29,628	360	2010	100%
Gramercy Residences	CCDC	Makati City	Residential	121,595	1,432	2012	100%
Knightsbridge Residences	CCDC	Makati City	Residential	87,717	1,328	2013	99%
Rio	CLC	Parañaque City	Residential	42,898	756	2013	96%
Santorini	CLC	Parañaque City	Residential	36,215	553	2013	98%
St. Tropez	CLC	Parañaque City	Residential	36,260	580	2013	98%
Total				**354,313**	**5,009**		

Commercial Project	Developer	Location	Type	GFA (sq. m.)	Units	Year Completed	% Leased
Century City Mall	CCDC	Makati City	Retail	49,143	N/A	2013	99%

*Excluding projects completed by Meridien
**Percentages are based on total number of units sold in the property.

PROPERTIES UNDER MANAGEMENT AS OF JUNE 30, 2014

The Company, through CPMI, manages both residential and commercial properties. The following table sets forth information regarding residential properties under its management.

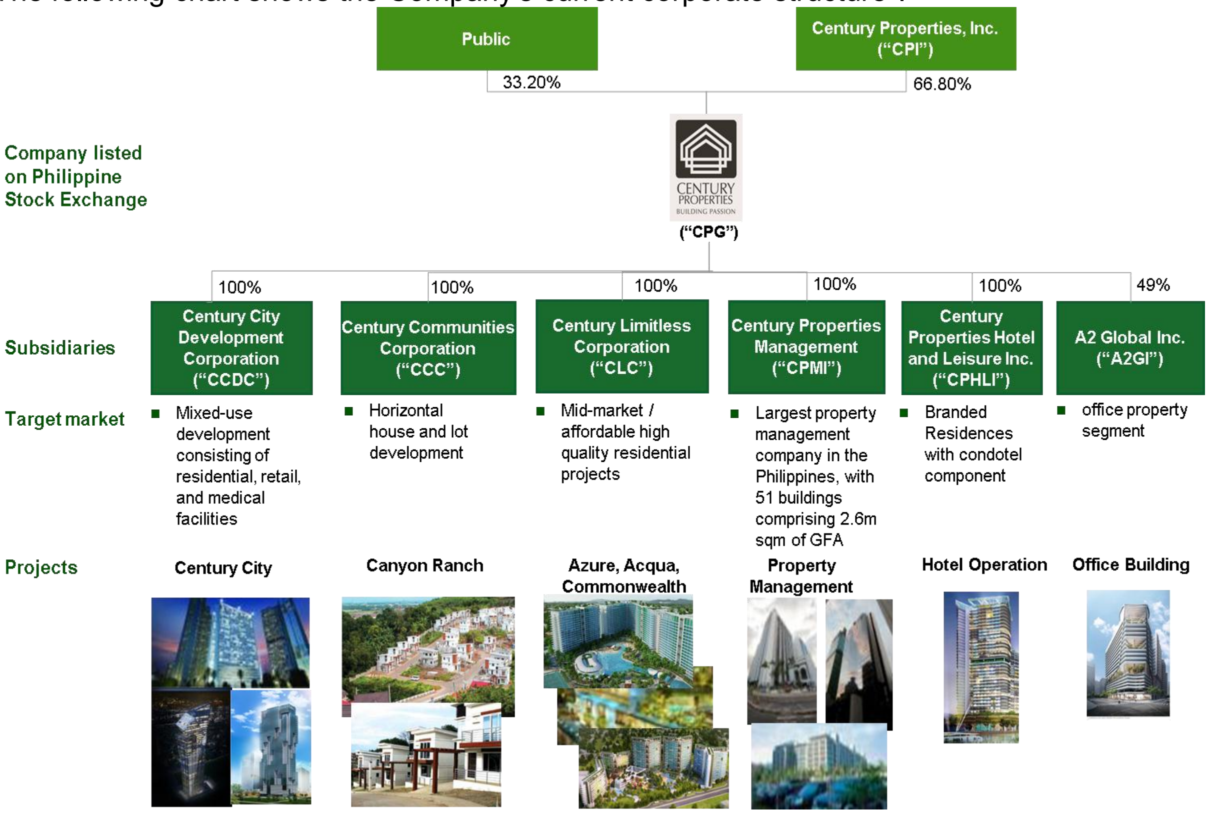
NO. OF BLDGS	PROJECT	LOCATION	DEVELOPER	GFA (sq. m.)
RESIDENTIAL PROPERTIES				
1	Astoria Plaza Condominium	Pasig	Millennium Properties & Brokerage	53,767
1	Aqua Private Residences	Mandaluyong	Century Properties, Inc.	
5	Azure Urban Residences	Paranaque	Century Properties, Inc.	79,196
1	BSA Suites Condominium	Makati	ASB Development Corp.	22,925
Horizontal	Canyon Ranch Estate	Carmona, Cavite	Century Communities Corporation	83,889
2	Essensa East Forbes	Taguig	Meridien East Realty & Development Corp.	115,000
2	Golden Empire Tower	Manila	Moldex Land Holdings	129,514
1	Goldland Plaza Condominium	San Juan	Goldland Development & Realty Group	54,524
1	Grand Soho Makati Condominium	Makati	Century Properties, Inc.	29,628
1	Knightsbridge Condominium *	Makati	Century Properties, Inc.	43,414
1	Le Gran Condominium	San Juan	Arpen Real Estate Development, Inc.	15,423
1	Le Triomphe Condominium	Makati	Meridien East Realty & Development Corp.	20,239
1	Paragon Plaza	Mandaluyong	Fil Estate Properties, Inc.	71,631
1	Pioneer Highlands North	Mandaluyong	Universal Rightfield Property Holdings, Inc.	89,990
2	Skyway Twin Towers	Pasig	Amberland Corporation	95,417
1	Soho Central Condominium	Mandaluyong	Meridien East Realty & Development Corp.	64,816
1	South of Market Condominium	Taguig	Meridien East Realty & Development Corp.	62,246
1	The Gramercy residences	Makati	Century Properties, Inc.	121,595
1	Tiffany Place Condominium	Makati	River Oaks Realty Corporation	24,702
1	Two Lafayette Square	Makati	Megaworld Properties & Holdings, Inc.	17,189
1	West of Ayala Condominium	Makati	Meridien East Realty & Development Corp.	57,752
21	TOTAL			1,252,857

NO. OF BLDGS	PROJECT	LOCATION	DEVELOPER	GFA (sq. m.)
COMMERCIAL PROPERTIES				
1	139 Corporate Center	Makati	Antel Realty & Development Corporation	24,426
1	88 Corporate Condominium	Makati	Belgen Realty Development, Inc.	37,677
1	Antel Global Condominium	Pasig	World Class Properties, Inc.	60,238
1	AvecShares Asia, Inc.	Taguig	Avecshares Asia, Inc.	12,232
1	Century City Lifestyle Mall	Makati	Century Properties, Inc.	52,233
1	BPI Buendia Center	Makati	Bank of the Philippine Islands	61,262
1	Glaxo Smith Klein	Makati	GlaxoSmithKline Philippines, Inc.	9,471
1	Innove Plaza Condominium	Cebu	Prosperity Properties & Management Corp.	12,031
1	Medical Plaza Ortigas	Pasig	Meridien Property Ventures, Inc.	34,642
1	One Corporate Center Ortigas	Pasig	Amberland Corporation	117,799
1	One Corporate Plaza	Makati	Inchport Realty Corporation	12,034
1	One Magnificent Mile Condominium	Pasig	Meridien Far East Properties	23,105
1	One San Miguel Avenue Condominium	Pasig	Amberland Corporation	64,577
1	Pacific Star Building	Makati	Penta Pacific Realty Corporation	95,302
1	Prestige Tower Condominium	Pasig	Amberland Corporation	58,698
1	Singapore Embassy	Taguig		4,900
1	Solar Century Tower	Makati	Solar Entertainment Corporation	5,265
1	Times Plaza Condominium	Manila	RHL Properties & Development	35,820
18	TOTAL			721,712
FACILITIES MANAGEMENT				
1	Asian Development Bank - Clark	Pampanga	Asian Development Bank	2,000
1	Asian Development Bank - Headquarters	Mandaluyong	Asian Development Bank	204,092
1	Fisher-Rosemount Systems, Inc.	Pasig	Amberland Corporation	7,378
1	Globe IT Plaza Cebu	Cebu	Globe Telecom, Inc.	12,678
1	Globe Telecom Avatar	Cavite	Globe Telecom, Inc.	3,085
2	Globe Telecom Pioneer	Mandaluyong	Globe Telecom, Inc.	34,918
1	Globe Telecom Valero	Makati	Globe Telecom, Inc.	29,340
1	Globe Data Center	Makati	Innove Plaza	7,964
1	Globe Technohub	UP Diliman	Innove Plaza	25,000
1	Makati Cinema Square	Makati	MCS Condominium Corporation	20,000
1	Makati Medical Center	Makati	Medical Doctors, Inc.	90,467
1	PNB Financial Center	Pasay	Philippine National Bank	151,435
12	TOTAL			588,357

TOTAL PROJECTS	**51**	**TOTAL GROSS FLOOR AREA**	**2,562,926**
TOTAL BUILDINGS	**58**		

CORPORATE STRUCTURE

The following chart shows the Company's current corporate structure[1].



[1] Pro forma for 800,000,000 shares from the Placement Subscription Offering conducted in March 2013

The Subsidiaries and Associate are segregated by the target market of each project, allowing each to specialize and focus on their buyers' requirements in pricing, size, location, and amenities.

Below is a description of each subsidiary and associate of the Company:

Century Communities Corporation

CCC, incorporated on March 15, 1994, is focused on horizontal house-and-lot developments. From the conceptualization to the sellout of a project, CCC provides experienced specialists who develop and execute the right strategy to successfully market a project. CCC is currently developing Canyon Ranch, a 25-hectare house-and-lot development located in Carmona, Cavite.

Century City Development Corporation

CCDC, incorporated on December 19, 2006, is focused on developing mixed-use communities that contain residences, office, and retail properties. CCDC is currently developing Century City, a 3.4-hectare mixed-use development along Kalayaan Avenue in Makati City.

Century Limitless Corporation

CLC, incorporated on July 9, 2008, that focuses on developing high-quality, affordable residential projects. Projects under CLC will cater to first-time home buyers, start-up families, and retirees seeking safe, secure, and convenient homes within close proximity of quality healthcare facilities.

Century Properties Management, Inc.

CPMI, incorporated on March 17, 1989, is one of the largest property management companies in the Philippines, as measured by total gross floor area under management. CPMI has 51 projects in its portfolio, covering a total GFA of 2.56M sq.m as of June 30, 2014. The Company believes that CPMI is the first independent and local property management company to introduce international standards in the Philippine property market. CPMI has been awarded 18 safety and security distinctions from the Safety Organization of the Philippines**.**

Century Properties Hotel and Leisure, Inc.

CPHLI, incorporated in March 27, 2014, is a newly formed wholly-owned subsidiary of CPGI. CPHLI shall operate, conduct and engage in hotel business and related business ventures.

A2Global Inc.

A2Global Inc., an associate that was incorporated in 2013, is a newly formed company wherein CPGI has a 49% shareholdings stake. A2Global shall act as a sub-lessee for the project initiatives of Asian Carmakers Corporation (ACC) and Century Properties Group Inc. in the development and construction commercial office in Fort Bonifacio.

KEY INVESTMENT HIGHLIGHTS

The Company believes that its competitive strengths include the following:

Track record of delivering innovative products in the luxury, middle-income, and affordable segments

The Company, though its Subsidiaries, has a 28-year track record of delivering innovative products to the luxury and middle-income residential condominium segments. Some of the concepts that the Company believes it has pioneered in the Philippines include the FF/FF units, now an industry standard, the first urban residence featuring a man-made beach, and medical office buildings sold to doctors. As a testament to the quality of its developments, the Company has won numerous awards over its 28-year history, including *Top Ten Developers in the Philippines* award in 2013 and 2014 from BCI Asia, *Real Estate Personality of the Year* in 2012 from Southeast Asia Property Awards, *Best Structured Trade Finance Solution 2014 by* The Asset Award, and *Rising Stars* by Finance Asia in 2013. The Company is also one of the top-performing publicly listed companies named by the Asean Corporate Governance Scorecard (ACGS) for 2013-2014. The ACGS is a joint initiative of the Asean Capital Markets Forum and Asian Development Bank.

The Company also leads the Philippines in partnering with globally renowned brands to enhance the prestige and value of its developments. The Company undertakes innovative branding strategies to effectively enhance its brand visibility and product appeal while attempting to reinforce its credibility as a leading developer in the Philippines. In this regard, the Company is currently developing properties with the following global brand names:

- **Paris Hilton:** Ms. Hilton signed a Promotional and Services Agreement to promote and design the beach club for the Azure Urban Resort Residences and to promote the project on an ongoing basis. The Company believes that Ms. Hilton's involvement with the project contributed to a 36% increase in pre-sales at Azure Urban Resort Residences between the three months before the announcement of her involvement in the project and the three months after the announcement.

- **Versace Home**.: The Milano Residences (interior design by Versace Home) is the first luxury development of its kind within Century City, Makati. The branded residential tower's Versace-designed amenity areas and remarkable architecture, inspired by the Greek fret elements of the Versace brand, contributed to increased gross margins as compared to the sales of the Company's other 'un-branded' properties. Higher margins earned on this project serve as a testament to the increased pricing power that the Company's brand collaborations provide.

- **Trump Organization**: Trump Tower at Century City is being developed in accordance with the Trump Organization's high standards for a luxury development through a licensing agreement with the Trump Organization. Superior quality, detail and perfection are standards that Trump demands of all properties bearing its name. The exclusive touch of the Trump brand is present in every aspect of its properties, from the design driven, cutting edge façades created in collaboration with the world's best architects, to the flawless interiors designed specifically for each market to the world-class service..

- **Missoni Home**: After successfully launching the first three of six towers at Acqua Private Residences, CPGI collaborated with the Missoni brand for its interior design and home line. Acqua Livingstone (4^{th} tower) is the first residential building in the world that bears the creative and colorful mark of Missoni Home. The world-renowned Italian brand, which is personally managed by three generations of the Missoni family, designed the 53-storey tower's amenities as well as a set of interior design inspirations for its residential units.

- **Yoo inspired by Starck:** To further push CPGI's creative diversity, another brand collaboration was launched for Acqua Private Residences. *Acqua Iguazu yoo inspired by Starck* is the fifth Acqua tower, which CPGI launched in partnership with yoo–an interior design firm developed by entrepreneur John Hitchcox and one of the most celebrated designers in the world, Philippe Starck. The collaboration follows the same structure as Livingstone tower where all amenities, common areas and unit design inspirations are created following the brand's bold design statement and quality standards.

- **Armani/Casa:** In November 2013, CPGI announced a design collaboration with the interior design label of Giorgio Armani for the 60-storey residential development, Century Spire. The exclusive partnership between the Armani/Casa Interior Design Studio and Century Properties covers the interior design of luxurious high-end residential units, common areas and amenities for the building. The work of the Armani/Casa Interior Design Studio has involves developing creative solutions – under the artistic direction of Giorgio Armani – that are the product of painstaking architectural research and extensive study into the project's cultural, geographical and architectural context. In this way, the individual designs are developed to be perfectly integrated into their settings in terms of their features and aesthetic values.

- **Studio Daniel Libeskind:** Giving Century Spire an arresting exterior is Studio Daniel Libeskind. The tower is Libeskind's first architectural concept work in the Philippines together with CPGI's local team of architects. One of Libeskind's remarkable contributions to world architecture today is his masterplan for the rebuilding of Ground Zero (World Trade Center) in New York City. The Century Spire building is composed of three main elements: an office space component, the Armani/Casa-designed amenities, and the residential spaces that reach up to the 60th floor. The building crown has three interlocking segments - its geometric shapes an interesting fusion of playful and sophisticated design.

Unparalleled international sales platform focused on the most resilient demand driver in the Philippines

The Company employs a distinctive marketing strategy which, in addition to successfully marketing to domestic buyers, actively targets OFWs and other overseas buyers in over 50 countries, enabling it to derive approximately 70% of its pre-sales from buyers outside of the Philippines in each of the last three years. This international marketing strategy is complemented by what the Company believes is an industry-leading overseas sales and marketing presence, consisting of the Company's overseas offices, international selling partners and a network of 1,013 internationally-based agents and brokers. The Company also has an online sales platform which offers its overseas customers online access to their statements and also gives agents and brokers the ability to effectively market its properties and track their commissions in real time. The Company further supplements its international marketing efforts by generally conducting approximately 15 international road shows per month. The Company believes these road shows help to generate significant immediate pre-sales while also increasing brand presence within the local OFW communities.

The Company further believes that earning a significant portion of its sales from overseas offers several advantages. First, it believes that overseas markets are not only relatively underserved, but they also represent one of the more resilient sources of demand for Philippine real estate. According to the BSP, OFW remittances exhibited steady growth through the recent global financial crisis, buoyed by the geographical diversification of OFWs. Second, the geographical diversity of the Company's sales similarly decreases its risk exposure to economic volatility from any single jurisdiction. Third, the average income of the OFW population is higher than the average income for Philippine residents. According to the Department of Labor and Employment, the average monthly wage rates of workers in the Philippines in 2012 was ₱13,888, while according to a National Statistics Office survey, the average remittance per OFW was approximately ₱85,000 per month in 2012. Therefore, the premium prices of the Company's condominium developments remain affordable to OFWs and other overseas buyers, which the Company believes gives it increased pricing power when selling to buyers in those markets.

Below shows the Company's source of pre-sales, with 73% sold internationally as of March 2014.

	2011	2012	2013	March 2014
Philippines	33%	26%	28%	27%
Asia	28%	30%	35%	30%
North America	15%	15%	13%	13%
Europe	18%	18%	11%	9%
Middle East	5%	5%	6%	16%
Others	0%	6%	8%	6%
Totals	**100%**	**100%**	**100%**	**100%**

Significant pre-sold and financed projects that are expected to generate positive cash flow if the Company completes these projects and collects the turnover balance

From 2012 to 2016, the Company projects to turn over 17 projects with over 10,600 units totaling 1,086,132 sq.m. These are currently 96% pre-sold (in terms of units) as of March 30, 2014. These projects have been financed with collections from pre-sales, equity from the Company's prior equity raises, as well as committed credit facilities. As a result, once the Company completes these projects, large turnover balances from the buyers are collectible by the Company, which is projected to augment the Company's liquidity position.

Experienced Management Team

The Company has an experienced management team that has been with the Company since its founding, with an average of 20 years of operational and management experience in real estate, particularly in the condominium segment. It has completed projects in all stages of the business cycle, including the Asian financial crisis in the late 1990s. The Company's management team has extensive experience in and in-depth knowledge of the Philippine real estate market and has also developed positive relationships with key market participants, including contractor and suppliers, regulatory agencies and local government officials in the areas where the Company's projects are located.

BUSINESS STRATEGY

The primary elements of the Company's business strategy are the following:

Maintain leadership in the luxury and middle-income segments, while diversifying into the affordable segment

As the Company grows, it intends to continue to strengthen its reputation as one of the Philippines' most innovative developers in the luxury and middle-income segments, and to maintain its position as a key developer in the central business districts of Metro Manila.

The Company further aims to leverage its reputation and expertise in the luxury and middle-income segments to grow its presence in the affordable housing segment. The Company defines the various market segments as follows:

- Luxury: Properties in which a majority of the units are priced at ₱7.3 million and above

- Middle-income: Properties in which a majority of the units are priced between ₱3.7 million and ₱7.2 million

- Affordable: Properties in which a majority of the units are priced ₱2.3 million to ₱3.6 million

The Company believes that by creating aspirational offerings for a market familiar with largely practical developments, CPGI can create a defensible niche in what is commonly considered a commoditized market. The Company's project on a site area of 43,966 sq.m. along Commonwealth Avenue in Quezon City is expected to include over 2,900 affordable units.

Diversification into commercial leasing developments to generate significant recurring and predictable income

Although the Company believes that majority of its earnings in the next few years will still come from the sale of residential units from its current projects, it recognizes that it is important for the Company to expand into commercial leasing in order to diversify its sources of earnings and to make sure that the Company has recurring and dependable income.

In 2014, the Company, through CCDC, has completed its Century City Mall, its first retail mall with total GFA of 49,143 sq.m. It is 99% leased and 100% reserved as of March 2014. The retail mall was designed to cater to residents, employees and patients of Century City, as well as residents of surrounding communities.

Within its projects of Century City, Acqua, and Fort, the Company expects to complete an additional 99,970sqm (inclusive of parking GFA) of commercial leasing space to build its recurring income base. Commercial properties to be built include an office building in Fort Bonifacio, the Forbes Media Tower in Century City, a condotel at Acqua Private Residences and an office component at Century Spire, with the latter two forming part of Century City's office block and supplementing the mall as marquee projects.

Ongoing implementation of an "asset light" and targeted land banking strategy

The Company believes that maintaining a focused land banking strategy and an "asset light" structure by acquiring land through deferred cash purchases has enabled CPGI to maximize returns while minimizing project risks. It also believes that significant parcels of land remain available in key locations throughout its target districts within the Philippines, and new opportunities for redevelopment will be created as various cities grow. The Company plans to continue leveraging upon its extensive history in the industry, its reputation as an innovative, leading property developer, and its strong relationships with key industry participants to enter into joint venture agreements, complete deferred cash purchases, and acquire land to complete developments in the central business districts in Metro Manila.

Continue to expand leading international sales and marketing presence

In addition to the Company's strong marketing network in the Philippines, the Company aims to continue building upon its global marketing platform. The Company believes that significant opportunities remain to capitalize on sources of untapped demand in global markets and that the Company has developed the necessary infrastructure and processes to effectively target these opportunities. In the future, the Company intends to increase its international sales and marketing network in established markets such as Canada, the Middle East, and the United Kingdom, while expanding into new markets, including certain countries in the Middle East and Europe, where the Company does not currently have a significant presence. With 10 vice presidents in charge of sales, the Company intends to take advantage of new opportunities rapidly by setting up new sales offices within three to six months of identifying an opportunity.

Maintain relationships with key international brands and increase the number of collaborations

The Company believes that one of its distinguishing features is its ability to provide customers with unique real estate offerings. The Company believes that its ability to collaborate with globally recognized brands, designers, and architects on its projects sets its developments apart from those offered by many of its competitors. It also believes that as the Filipino market continues to evolve, a greater level of significance will be placed on the lifestyle and branding elements in the residential market and that the Company is well-positioned in that regard.

The Company will continue to identify new partnerships and collaborations, while maintaining long-term relationships with its current partners. Based on past experiences, these partnerships will lead to higher pre-sales and will increase gross profit margin on CPGI's developments.

Diversify funding sources

The Company plans to diversify its funding sources by considering various forms of instruments across the capital structure, from bi lateral loans, syndicated term loans, public debt issuances, public equity investments, preferred shares, and common equity investments, among others.

PROPERTY DEVELOPMENT PROJECTS

As one of the leading real estate developers in the Philippines, CPGI prides itself on providing a wide range of innovative real estate products to its customers. The Company's approach to property development focuses on creating unique real estate properties with the best design, quality, and amenities. CPGI identifies the global standard and combines that with its ability to acquire land in prime urban areas to create properties that meet the demands of the Philippine real estate market. The Company uses strategic partnerships with key global franchises to capture consumer awareness and demand for its projects. It develops properties for several market segments, from luxury residential projects to affordable and mixed-use developments.

Upon completion, Century City, Acqua Private Residences, Azure Urban Resort Residences, The Residences at Commonwealth, and Canyon Ranch are expected to total 16,241 condominium and commercial units and 937 single-detached homes, with a total expected GFA of 1,676,178 sq.m.

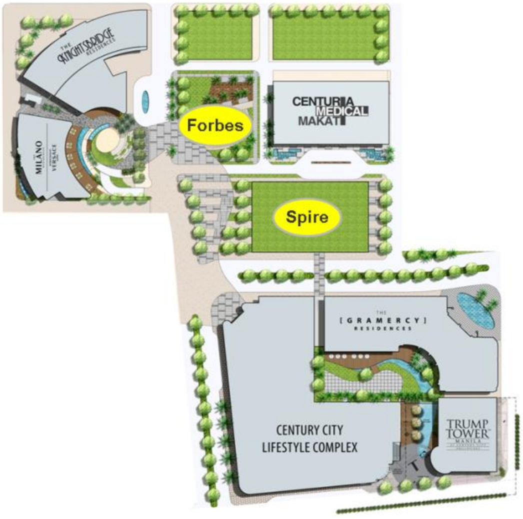
The following table sets forth certain information regarding the Company's current projects for which master plans have been launched as of March 31, 2014:

PROJECT UPDATES AS OF MARCH 2014

Project	Developer	Type of Project	Target Market	Average Unit Price (Php in millions)	Location	GFA (with parking), in sqm	Number of Buildings / Houses	Status of Development
Century City	CCDC	Residential,	Middle Income,	4.4	Barangay Poblacion,	643,176	8	3 completed buildings, with
		Office,	Luxury	16.6	Makati City			5 additional buildings projected
		Retail						to be completed between 2014 to 2019
Azure Urban Residences	CLC	Residential	Affordable	3.7	Barangay Hulo,	328,836	9	3 completed buildings, with
					Mandaluyong City			6 additional buildings projected
								to be completed between 2015 to 2018
Acqua Residences	CLC	Residential	Middle Income	5.0	Barangay Marcelo,	229,996	6	6 buildings projected to be completed
					Paranque City			from 2015 to 2018
Commonwealth Residences	CLC	Residenial	Affordable	3.5	Commonwealth,	187,016	8	8 buildings projected to be completed
					Quezon City			from 2015 to 2019
Canyon Ranch	CCC	Residential	Middle Income	3.9	Carmona, Cavite	280,300	934	814 homes completed, with remaining
								120 homes to be completed
								on a per lot basis
Total						**1,669,325**		

Century City

CPGI, through CCDC, began development on one of the last remaining undeveloped pieces of real estate in Makati City in 2007. Rising on a portion of the property formerly occupied by the International School Manila, Century City is a 3.4-hectare mixed-use project with eight buildings covering a total planned GFA (with parking) of 643,176 sq.m. The development is a groundbreaking architectural and design landmark and a fully master planned vertical village that is home to the Gramercy Residences, Knightsbridge Residences, Milano Residences (interior design by Versace Home), the Trump Tower, Centuria Medical Makati, Century Spire, and Forbes Media Tower.



Gramercy Residences

The Gramercy Residences is a New York-inspired luxury tower and is the Philippines' first fully furnished, fully serviced, and fully-technologized condominium. On the 71^{st} floor, it currently houses 71 Gramercy, a New York-style restaurant, lounge and bar. The club has an inside lounge and bar area, a restaurant area as well as an outside roof deck terrace that affords breathtaking views of Metro Manila. It offers a number of amenities, including restaurants, bars, entertainment and well-being facilities, exclusive internet and telecommunication solutions, a day care center, a THX-certified theater, cafes, a library, and a grand view of Makati City. The Gramercy Residences targets the middle-income segment, consists of over 1,400 units, and has a total GFA (with parking) of 121,595 sq.m. It was the first residential tower to be turned over in Century City.


Knightsbridge Residences

Inspired by one of London's most prestigious neighborhoods, the Knightsbridge Residences is the second residential tower completed at Century City. Each unit in the property is called a POD. The POD concept allows units to be combined, giving buyers flexibility to maximize space and addressing urban dwellers' need for a living space that matches their lifestyle. Each POD is fully fitted and fully furnished with one of five design themes. Amenities in the building include several large lounge areas, a spa, a swimming pool, fitness center, game room, library, and an outdoor patio with views of the city. The Knightsbridge Residences was completed in December 2013 and is in the process of turnover to unit owners. The development targets the middle-income segment, consists of around 1,200 units, and has a total GFA (with parking) of 87,717 sq.m.

Milano Residences

Milano Residences (interior design by Versace Home) is the first private luxury residence in Asia designed in collaboration with Gianni Versace, S.P.A. The Company entered into an Interior Design Agreement with Gianni Versace for them to design the building's common areas. The development is one of only five properties worldwide interior designed by the brand. Milano is planned to have 54 floors and is expected to have amenities such as a business center, pool, library, spa, juice bar, fitness center, and a roof garden. The project was launched in 2010 and is expected to be completed in 2015. It is expected to consist of over 340 units and have a total GFA (with parking) of 64,304 sq.m. upon completion.

Trump Tower Manila

Trump Tower Manila will capitalize on the growth of Makati City to create a property that will be one of a kind in the Philippine real estate market. Each unit in this 60-floor development is expected to feature high-end finishes and classic design and the building's amenities are expected to include a pool, spa lounge, fitness center, business center, meeting rooms, library, and a video room. Part of the common areas are expected to be furnished with pieces from the Hermès home collection. Sales for the development began in 2011. Trump Tower Manila is the second luxury development in Century City, and it is expected to consist of over 215 units and have a total GFA (with parking) of 54,660 sq.m., once completed. Trump Tower Manila is not owned, developed, or sold by Donald J. Trump, the Trump Organization, or any of their affiliates. CCDC is the developer of the property and uses the "Trump" name under license from Trump Marks Philippines LLC. The project is expected to be completed in 2016.

Centuria Medical Makati

Centuria Medical Makati is an information technology out-patient medical facility that is expected to offer clinic and office spaces for sale to doctors and wellness practitioners. This 28-floor development is expected to feature floors devoted to diagnostic equipment and services, rooms for aesthetic procedures, post-recovery suites, and spaced for other service providers in health, wellness, and preventive medicine. CPGI entered into an agreement with General Electric Healthcare for them to provide the diagnostic equipment used in the building and to offer value-added services upon request. The Company launched the development of this project in 2010. The property is expected to consist of office suites, both for sale and for lease. It has a total GFA (with parking) of 74,103 sq.m. upon completion in 2014.

Century City Mall

The Century City Mall was built on the 6,313 sq.m. lot adjacent to The Gramercy Residences. This retail center was completed in September 2013 and was launched to the public in March 2014. It is expected to serve as the neighborhood retail center for residents of Century City's residential buildings, the doctors, employees, and patients of Centuria Medical Makati, and the residents of the surrounding area. The development is fully-owned by CPGI and managed by CPMI. It is expected to have a total GFA (with parking) of 49,123 sq.m. and net leasable area of 17,000 sq.m.

Century Spire

Launched in 2013, Century Spire is the last of the five residential skyscrapers to rise in Century City, but is the first residential building to bear the Century name. The building's architecture is designed by Daniel Libeskind, the visionary architect behind New York's Ground Zero, while its amenities and common areas will be interior-designed by Armani Casa. The 60-story tower is expected to have a total GFA (with parking) of 98,583 sq.m. and over for sale 450 residential units. Century Spire will also have 18 floors of office space, with 27,047 sq.m. currently planned for leasing. The project is expected to be completed in 2018.

Forbes Media Tower

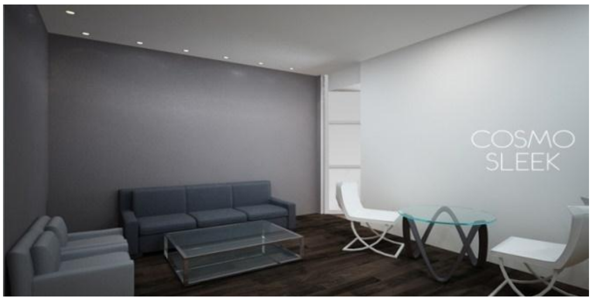
The Forbes Media Tower will be the world's first Forbes-branded commercial building in Makati. This iconic project is designed by G2 Development Planning (G2DP), a unique Real Estate Development and Planning Firm which specializes in comprehensive development solutions focused on projects for urban regeneration, as well as environmentally sensitive destination developments around the world. G2DP is responsible for the design of the Carrasco International Airport, 20 Fenchurch Street, Forbes Media Towers in Brazil & Thailand, and among others. The project is situated in a land area of 3,166 sq. meters and will be composed of commercial and IT office units. The entire project will have a total GFA (with parking) of approximately 93,091 sq. m. This project is planned to be comprised of both for sale office units, and for lease office units. The project is expected to be completed in 2019.

Acqua Private Residences

A six-tower master-planned development on a 2.4-hectare at the border of Makati City and Mandaluyong City, Acqua Private Residences has a tropical rainforest-infused design that attempts to combine nature with urban living. The towers are each expected to have views of the Makati City skyline. Acqua's amenities are expected to include a lounge area, juice bar and café, spa, climbing wall, boxing studio, tennis courts, and what is expected to be the first river walk promenade in the Philippines, which will feature restaurants, bars, and designer stores. The project was launched in February 2011. The six-tower project is targeted at customers in the middle-income segment and is expected to consist of over 3,000 units with a total GFA (with parking) of 229,996 sq.m. upon completion. The Pasig River separates Acqua Private Residences from Makati City, and the property will be accessible from Makati City via a newly constructed bridge from the Pasig River. Below are the descriptions of five out of six towers in Acqua that have been already been launched by CPGI.

Niagara Tower, Sutherland and Detifoss Towers

The Niagara Tower is the first building that will rise at Acqua Private Residences. It is planned to have 42 floors, with fully-fitted units facing the Makati-Rockwell, Manila, and Mandaluyong skylines. The project was launched in 2011 and is expected to have a total GFA (with parking) of 34,519 sq.m. upon completion in 2015. The Sutherland Tower is the second building that is expected to be completed in 2015. The tower will have 44 floors with fully-fitted residential units. The project was launched in 2011 and is expected to have a total GFA (with parking) of 42,145 sq.m. upon completion. The Dettifoss Tower is the most central of the six buildings to be built at Acqua Private Residences. Dettifoss is expected to have 46 floors with fully-fitted residential units. The project was launched in 2011 and is expected to have a total GFA (with parking) of 37,616 sq.m. upon completion in 2016.



Livingstone Tower

Acqua Livingstone is a 53-storey residential tower and is the world's first and only Missoni-branded home, lending the brand's signature bold color palettes and striking geometric structures to the tower. The project was launched in 2012 and is expected to have a total GFA (with parking) of 40,927 sq.m. upon completion in 2016.

Iguazu Tower

Acqua Iguazu by yoo will be the fifth tower to rise in Acqua Private Residences. The tower will be interior designed by yoo, the design company founded by world-renowned designed Philippe Starck and international property entrepreneur John Hitchcox. The tower will feature a sky deck, whose amenities include a swimming pool, bar, dining area, function rooms, an indoor and an outdoor library, and a movie room. The project was launched in 2012 and is expected to have a total GFA (with parking) of 36,367 sq.m. upon completion in 2018.

Azure Urban Resort Residences

Designed by the award-winning master planning and architectural firm Broadway Malyan, Azure Urban Resort Residences is expected to consist of nine residential buildings on a six-hectare property, with 80% of the land dedicated to open space. The property is the first man-made beach residential development in the Philippines and features a beach club designed by internationally renowned celebrity, Paris Hilton. In addition to the Paris Beach Club, the property's amenities are expected to include a beach volleyball area, Zen garden, lap pool with cascading waterfalls, poolside bar, basketball court, multi-purpose court, THX-certified theater, an open park, playgrounds, and restaurants. The property is located beside the SM Bicutan mall in Parañaque City. The development targets the affordable housing segment, and is expected to consist of approximately 5,000 units and have a total GFA (with parking) of 328,925 sq.m. The first three towers of Rio, Santorini and St. Tropez have already been completed, and the remaining 6 towards are expected to be completed from 2016 to 2018.

The Residences at Commonwealth

It is a 4.4-hectare project of CPGI and its first masterplanned residential community development in Quezon City. The eight-tower project will rise in Commonwealth Avenue within the vicinity of a shopping center, top schools, techno hubs, churches and major thoroughfares. The Commonwealth by Century residential package includes livable unit layouts with extended balconies, distinctive amenities that encourage outdoor and holistic social interaction, a community with open spaces, greenery and waterscapes; and round the clock safety and security systems for the peace of mind of all residents. The project's unique architectural design, spacious unit layouts and pioneering amenities aim to redefine the standards of living in Quezon City. The 8 buildings are expected to be completed from 2015 to 2019.

Canyon Ranch


The Canyon Ranch development, located in Carmona, Cavite, is a community south of Manila containing single family detached homes. This development is a part of the San Lazaro Leisure Park, which includes one of only two operating horse racing tracks in the Philippines. CPGI acquired the right to develop the land and launched the project in May 2007. The project is a joint venture with the Manila Jockey Club. The development targets middle-income customers and is expected to consist of 937 single family detached homes situated on 280,300 sq.m. upon completion. The Canyon Ranch development is a 25-minute drive from Makati City and is highly accessible via the South Luzon Expressway or the Alabang Skyway. The project is close to several shopping destinations, including the

Alabang Town Center, Festival Mall, SM Dasmariñas, Pavillion Mall, and Robinsons Place Dasmariñas. 814 houses have already been completed, with the remaining 123 houses expected to be completed on a per house basis based on when each house is sold.

Fort Bonifacio Office Building

PERSPECTIVE SHOT FROM 4TH AVENUE PLAZA

The planned office development in Fort Bonifacio will be CPGI's first venture into the office property segment in Bonifacio Global City. It is a 23-storey office building in Fort Bonifacio Global City, Taguig City. The Fort Bonifacio office building is planned to be developed by A2 Global, Inc. which is 49% owned by CPGI and 51% by Asian Carmakers Corp. It will have a total GFA (with parking) of approximately 53,685 sq. m., with CPGI's share of 26,843 sq. m. The project is expected to be completed in 2017.

LAND BANK

The Company has an aggregate land bank with a site area of 2,000,970 sq.m. CPGI believes that its disciplined land acquisition, usually through joint ventures or installment sales, allows the Company to maintain a higher return on its equity compared to its peers and to have sufficient developable inventory for the next several years.

Below is a table of the Company's current land bank:

Location	**Land size (in sq. m.)**
Batulao	1,422,899
Novaliches	500,000
Pampanga	78,071
Total	**2,000,970**

Employees

CPGI and its Subsidiaries have 2,077 employees as of December 31, 2012 and 2,865 employees as of December 31, 2013. The Company is planning to hire around 60 additional employees, including rank and file staff and supervisors.

Its employees are primarily engaged in development operations, construction, property management, as well as sales and marketing. CPGI and its Subsidiaries' local and international marketing and distribution network consists of 3,506 agents as of December 31, 2013. CPGI and its Subsidiaries have entered into an Expense Allocation Agreement to pay the costs of such services and record such costs in general, administrative and selling expenses.

The following table shows the distribution of the Company and its Subsidiaries' employees across its core function areas.

	As of December 31,	
	2012	**2013**
Development operations..	319	396
Sales and marketing..	11	10
Construction………………………………………………………………………...	1,537	2,225
Property management..	210	234
Total...	**2,077**	**2,865**
Agents		
In - house ………………………………………………………………………...	948	689
Brokers ………………………………………………………………………………..	2,239	2,817
Total………………………………………………………………………………..	**3,187**	**3,506**

In order to fulfill the manpower requirements, the Company subscribes to local and international job portals, job fairs, executive search and advertise job postings in leading newspapers and internet sites. The Company practices equal opportunity employment to all qualified talents in terms of hiring, salary job offers and promotion to hired employees.

The Company employees are being empowered to take proactive roles with active learning and development plans, regular training opportunities and real career progression to ensure the continuity of the Company's vision.

Managers and staff are also routinely given feedback on their job performance and CPGI takes other steps to ensure the continuous development of its employees.

The total employee remuneration program provided by the Company has been designed to help compete in the marketplace for quality employees and the Company believe that these packages are in line with the industry standard in the Philippines. CPGI shall provide and enhance long term incentive programs such as housing program, employees stock option plan and retirement program. The Company conducts annual performance reviews and reward employees with annual salary increases if merited. The Company's goal is to position itself as an employer of choice in the Philippines.

The employees are not covered by a collective bargaining agreement and no employee belongs to a labor union. There has been no loss of work due to any labor disputes.

Land Acquisition

The Company sources land for development through joint venture agreements with land owners, or through direct purchases. Direct purchases can either be paid for in cash or on installment basis. The land acquisition process consists of three main steps: identifying, assessing and executing.

First, the Company identifies land with a focus on Metro Manila. During this time, the Company checks the title of the property to ensure there are no encumbrances that will prevent development. Zoning and floor to area considerations are also examined at this stage. The sources of land in the Philippines include privately owned undeveloped property, government owned property, foreclosed bank assets and redevelopment of existing properties as certain industries migrate outside of Metro Manila.

Second, the Company assesses the physical and financial suitability of the land. The land must be topographically amenable to condominium or house and lot developments. The Company also analyzes the macro demand and competing developments to develop a marketing plan for the project, as well as run pro forma cash flows and profit and loss statements for the project.

Third, the Executive Committee of the Company approves the project internally and commences with the acquisition of the land.

The Company has historically entered into joint venture agreements with land owners, including commercial banks, for several of its development projects. By entering into these types of joint venture agreements, the Company foregoes spending a large sum of capital on land acquisition and can therefore increase its return on equity. Historically, Century has not experienced material difficulties in finding joint venture partners to supply land and currently does not expect to experience difficulties in the future. The Company believes in its track record as an innovative and reputable property developer giving its joint venture partners confidence that their project will be handled successfully. Further, the Company believes there is an abundant supply of land owners in the Philippines who wish to develop their land but who may not have the resources, both financial and expertise, to do so.

The Company's joint venture arrangements typically require the joint venture partner to contribute the land to the project, while Century bears all costs relating to land development and the construction of the planned property. The joint venture agreement also stipulates the allocation of interest in the property sales in accordance with its respective joint venture interests.

The joint venture agreements specify the allocation of sales and marketing expenses between the Company and the joint venture partner. However, the Company is responsible for organizing and conducting actual sales and marketing activities.

The Company requires its joint venture partners to warrant their title over the land and, if necessary, to clear the land of tenants and informal occupants before the Company commences development work on the land.

Project Design

The project design process involves the planning of the potential project, including determination as to the suitable market segment, master planning, design of property and landscape design. Development timetables vary from project to project, as each project differs in scale and design. Typically, project planning begins after land acquisition and takes at least nine months, during which time CPGI prepares both the master plan for the entire project (which can take several months and may be revised over the course of the project) and detailed plans for each project phase.

The Company utilizes its in-house design capabilities and market research data to plan developments as often as possible. Aside from determining the feasibility of a project, the objective of the study is to determine the property type to develop (i.e., residential, office, retail, medical, etc.). The Company believes that its expertise in, and innovative approach to, residential real estate development allows it to reduce costs, maintain competitive prices, create distinctive properties and increase sales. From time to time, the Company hires highly-regarded third-parties to design and plan projects. The work performed by these third-parties must comply with specifications that the Company provides and, in all cases, their work is subject to the Company's final review and approval. In particular, the Company hires third-parties, including international firms, to design projects which are complex and require specific technical expertise and to design specific high-end projects.

Congruent with the Company's overall strategy of creating distinctive developments, the Company also develops and implements specific design parameters for its projects. This helps the Company's market each project based on a particular design aesthetic and its own unique characteristic and personality.

Project Development and Construction

Project development and construction involves obtaining the required Government regulatory approvals and executing the Company's plans. Typically, once the Company has completed the project planning phase, it obtains the necessary Government approvals and permits to conduct pre-marketing activities. For residential projects, once the project has received a development permit from the relevant LGU or HLURB, as the case may be, and a permit to sell from the latter, pre-sales of the residential unit can, and initial development work on the project site may commence. Before the site development process can begin, the Company must also obtain clearances from various Government departments, principally the DENR") and the Department of Agrarian Reform ("DAR), as well as the relevant LGU.

The Company finances the development of projects through a combination of pre-sales (primarily for residential projects) and internally-generated funds. The Company also routinely obtains project financing loans from financial institutions. The Company expects this financing model to continue going forward.

Project development and construction work for the vertical projects is primarily conducted by Century Project Management & Construction Corporation ("CPMCC"), which is owned and managed by Mr. Ricardo P. Cuerva, who is one of CPGI's Directors and, together with members of his family, a beneficial shareholder of the CPI. CPMCC enters into a construction management agreement with the relevant CPGI subsidiary for each project, and Mr. Cuerva functions as a construction manager by subcontracting specialty services to third parties to ensure that prices are competitive, managing construction laborers, and procuring raw and finishing materials for the project directly from suppliers to minimize costs.

Marketing And Sales

The Company utilizes the group's local and international marketing network and believes it is one of the most active industry players when it comes to sales and marketing. The local and international marketing and distribution network consists of 689 exclusive agents who receive monthly allowances and commissions, 2,817 commission-based agents and brokers as of December 31, 2013.

The Company believes that the members of the sales and marketing team receive a very competitive remuneration package and commission incentives. CPGI and its subsidiaries maintains an office in Singapore, Italy and has collaborations with various selling partners in the United States, Canada, the United Kingdom, France, Germany, Ireland, Italy, the United Arab Emirates, Bahrain, China, Brunei, Australia, Malaysia and Singapore in response to the ever-growing demand of its international clients. In recent periods, a significant percentage of CPGI's revenue has been attributable to Overseas OFWs, expatriate Filipinos and other overseas buyers.

The Company's advertising and promotional campaigns include the use of show rooms, print and outdoor advertising, fliers, leaflets and brochures designed specifically for the particular target market. The advertising and promotional campaigns are carefully conceptualized and managed by the Company's Corporate Communications Department. The Company uses strategic partnerships with prominent international brands and local and international celebrities to attract interest in its properties. In addition, the Company also uses non-traditional marketing efforts such as sponsorship of conventions and other events and corporate presentations. Furthermore, the Company partners with local TV stations and local artists to further increase brand awareness.

Sales And Customer Financing

The Company normally conducts pre-selling of its property units prior to both construction and project completion. Customers generally start with the payment of non-refundable, non-transferable pre-sale fee that is valid for 30 calendar days from the date of payment. Within this period, the customer is required to submit the complete post-dated checks covering the monthly amortizations and the final turnover balance.

Notwithstanding certain buyers who opt to pay the purchase price in full and in cash, the Company requires 20% to 50% of the total purchase price to be paid during the construction stage, which is between three to five years. On the turnover date, the buyers would have fully paid the required 20% to 50% of the total purchase price, and would be required to either pay the balance in cash or apply for a bank-financed loan. The Company assist qualified homebuyers in obtaining mortgage financing from government-sponsored mortgage lenders and from commercial banks.

Sales Cancellations

Default and cancellations are subject to a variety of circumstances beyond the Company's control, such as adverse economic and market conditions as well as increase in interest rates.

After Sales Services

The Company provides maintenance services through its subsidiary CPMI on projects that are fully turned over to the owners. The Company believes that CPMI's management of the completed projects increases their asset value.

The Company obtains feedback from the unit owners in order to provide quality home dwelling units in the future and to enhance long-term relationships with them. Finally, the Company has an in-house leasing department to handle the leasing and re-sale needs of its clients.

Insurance

The Company believes that it has sufficient insurance coverage that is required by Philippine regulations for real and personal property. Subject to customary deductibles and exclusions, the Company's insurance policies include coverage for, among other things, building and improvements, machinery and equipment, furniture, fixtures and fittings against damage from fire and natural perils, machinery breakdown, third-party liability to the public and construction works. The Company is not covered by business interruption insurance.

Competition

The Philippine real estate development industry is highly competitive. CPGI's primary competitors are real estate companies that also focus on developing residential and commercial buildings in the Philippines. The Company believes that customers choose among competing real estate companies based on design, amenities, price, location, developer reputation, quality of finishes, after-sales support services, unit sizes, monthly amortization and financing terms. Century's competitors vary depending on the target market. The main competitors are Ayala Land, Inc., DMCI Homes, Filinvest Land Inc., Megaworld Corp., Robinson Land Corp., Rockwell Land Corporation, and Vista Land & Lifescapes, Inc.

The Company believes that it can effectively compete with other companies in its industry through innovative branding strategies to effectively enhance brand visibility and product appeal while attempting to reinforce credibility as a leading developer in the Philippines. The Company is also developing properties in partnership with global brand names and set up various marketing offices abroad to cater to foreign customers, Filipinos based abroad and OFW's.

Suppliers

The Company has a broad base of suppliers both local and international. The Company is not dependent on one or limited number of suppliers.

Customers

The Company has a broad market base including local and foreign individual and institutional clients.

Intellectual Property

The Company through its Subsidiaries has several trademarks/trade name and logos registered with the Intellectual Property Office of the Philippines. These trademarks have registration licenses and Management has continuously maintained its renewal after such registration anniversary for exclusive use of trademarks, names and logos.

The following are significant trademarks and logos of the Company's Subsidiaries registered which Management protects and secure licenses in updating its rights to use exclusively for its operations:

CCDC

Trademark Title	Registration No.	Registration Date	Status	Expiration Date
The Knightsbridge Residences at Century	4-2008-002251	7/7/2008	Active	7/7/2018
The Chelsea Residences at Century	4-2008-002252	7/7/2009	Cancelled	
The Knightsbridge and Chelsea Residences	4-2008-002256	7/7/2008	Cancelled	
Quatropod and Device	4-2008-006270	1/5/2009	Active	1/5/2019
Treopod and Device	4-2008-006271	1/5/2009	Active	1/5/2019
Duopod and Device	4-2008-006272	1/5/2009	Active	1/5/2019
Podular	4-2008-006273	1/5/2009	Active	1/5/2019
Condovision	4-2008-006274	1/5/2009	Active	1/5/2019
The Gramercy Residences	4-2007-003346	8/13/2007	Active	8/13/2017

Century City Development Corporation	4-2007-003034	8/13/2007	Active	8/13/2017
The Gramercy Residences at Century City	4-2007-003343	8/13/2007	Active	8/13/2017
Trilogy	4-2007-003345	8/13/2007	Active	8/13/2017
Moderno	4-2007-003352	3/31/2008	Active	3/31/2018
The Vertical Village	4-2007-003351	10/1/2007	Active	10/1/2017
Century City	4-2007-003035	8/13/2007	Active	8/13/2017
Century City Mall	4-2013-001793	8/15/2013	Active	8/15/2023
Century City Mall	4-2013-00001794	7/25/2013	Active	7/25/2023

CLC

Trademark Title	Registration No.	Registration Date	Status	Expiration Date
The Sanctuary Cove	4-2009-006601	5/20/2010	Active	5/20/2020
Sanctuary Cove (Stylized)	4-2009-006622	5/20/2010	Active	5/20/2020
Acqua Private Residences	4-2010-009211	9/15/2011	Active	9/15/2021
Acqua Private Residences and Design	4-2010-009212	9/15/2011	Active	9/15/2021
The Pebble	4-2011-003766	9/15/2011	Active	9/15/2021
Niagara Tower	4-2011-003771	9/15/2011	Active	9/15/2021
Sutherland Tower	4-2011-003772	9/15/2011	Active	9/15/2021
Detifoss Tower	4-2011-003770	9/15/2011	Active	9/15/2021
Yosemite Tower	4-2011-003767	9/15/2011	Active	9/15/2021
Acqua Victoria Tower	4-2011-003768	9/15/2011	Active	9/15/2021
Iguazu Tower	4-2011-003769	9/15/2011	Active	9/15/2021
The Atlantis Residences	4-2009-004741	11/19/2009	Active	11/19/2019
The Atlantis	4-2009-004742	11/19/2009	Active	11/19/2019
Azure Urban Resorts Residences	4-2009-010680	5/20/2010	Active	5/20/2020
Azure Urban Resort Residences with a Rectangle	4-2009-010681	5/20/2010	Active	5/20/2020
Acqua Livingstone Interior Desifned by Missoni Home	4-2011-014337	5/3/2012	Active	5/3/2022

Acqua Iguazu Yoo Inspired by Starck	4-2011-014335	12/1/2011 Filing date	Pending	awaiting issuance of certificate of registration
The Residences at Commonwealth by Century and Logo	4-2012-009282	7/27/2012 Filing date	Pending	awaiting examination by IPO examiner
Nova by Century	4-2013-00009720	8/14/2013 Filing date	Pending	awaiting examination by IPO examiner
Novacity by Century	4-2013-00009718	8/14/2013 Filing date	Pending	awaiting examination by IPO examiner

CCC

Trademark Title	Registration No.	Registration Date	Status	Expiration Date
Century Communities and Device	4-2007-003036	8/13/2007	Active	8/13/2017

Government Approvals/Regulations

The Company's Subsidiaries secure various government approvals such as the ECC, development permits, license to sell, among others, as part of the normal course of its business.

The Company's Subsidiaries have no principal product that has pending government approval as of the date of this Prospectus.

As of December 31, 2013, the Company is not aware of any existing or probable governmental regulations that will have an impact on the Company's operations.

As a percentage of total revenues, the Company spends (for capital expenditures) 84.0% in 2013, 75.6% in 2012 and 76.7% in 2011.

The Company is undertaking to increase expenditures in order to help in the preservation of the environment as part of its social corporate responsibility.

MATERIAL AGREEMENTS

The Company and its Subsidiaries, in the ordinary course of its trade and business, have executed material agreements for land acquisition, service agreements and licensing agreements with global brands it has partnered with, and insurance contracts.

Likewise, the Company and its Subsidiaries execute standard contract to sell for the sale of its condominium units, which is the repository of the provisions that govern the relationship and the rights and obligations of the parties until the execution of the deed of absolute sale. A standard deed of dbsolute aale for the sale of the condominium units is executed upon full payment of all installments due for the purchase of the unit.

DESCRIPTION OF PROPERTIES

The following is a list of properties owned by the Company and its Subsidiaries as of June 30, 2014. The list excludes condominium titles under the development projects which have been completed although titles are still under the Subsidiaries' names as payments thereof have not yet been completed by the buyers. The list likewise excludes properties which are covered by joint venture agreements and properties still subject to contracts to sell, the titles of which have not been transferred in the name of the Company or Subsidiary upon full payment of the contract price. In pursuit of its trade and business, the Company and its Subsidiaries have entered into various mortgage agreements covering its properties in favor of financial institutions for the purposes of securing development loans.

The Company and its Subsidiaries do not lease any land for development. It leases its office located at Pacific Star Building in Makati City.

PROJECT NAME (TCT NOS.)		**ADDRESS**	**DESCRIPTION AND USE**
CENTURY CITY			
KNIGHTSBRIDGE	TCT NO. 006-2013000519	Spring St. SMV Valdes St.	Retail / Residential
MILANO	TCT NO. 006-2013000520	Spring St. SMV Valdes St.	Retail / Residential
FORBES	TCT NO. 224334	Valdez St.	Retail / Residential
SPIRE	TCT NO. 224336	Gen. Luna St.	Retail / Residential
CENTURY CITY MALL	TCT NO. 224337	Kalayaan Ave.	Commercial
TRUMP	TCT NO. 224339	Salamanca & Kalayaan Ave.	Retail / Residential
CENTURIA	TCT NO. 224340	Valdez St.	Retail / Residential
ROAD	TCT NO. 224341	Kalayaan Ave.	

CLC – ACQUA		**ADDRESS**	**DESCRIPTION AND USE**
NIAGARA			Residential
SUTHERLAND	TCT NO. 008-2011000714	Brgy. Hulo, Mandaluyong	Residential
DETTIFOSS	TCT NO. 008-2011001016	Brgy. Hulo, Mandaluyong	Residential
LIVINGSTONE	TCT NO. 008-2011001017	Brgy. Hulo, Mandaluyong	Residential
IGUAZU	TCT NO. 008-2011001018	Brgy. Hulo, Mandaluyong	Residential
YOSEMITE	TCT NO. 008-2011000715	Brgy. Hulo, Mandaluyong	Residential

CLC – AZURE		**ADDRESS**	**DESCRIPTION AND USE**
RIO	TCT NO. 010-2014000588	Brgy.La Huerta, Parañaque City	Retail / Residential
SANTORINI	TCT NO. 010-2014000587	Brgy.La Huerta, Parañaque City	Retail / Residential

The cost value of office, computers, furniture and fixture, transportation, and other equipment is P144.M, with a net book value of P61.6M as of December 2013. The cost value of construction equipment is P251.5M, with a net book value of P96.2M as of December 2013. The total cost value of equipment owned by the Company and its Subsidiaries as of December 2013 is P395.9M, with a net book value of P157.8M as of December 2013.

The following is a schedule of equipment owned by the Company and its Subsidiaries as of December 2013.

Company	Construction Equipment		Office & Other Equipment		Consolidated	
(In Million Pesos)	Cost	Net Book Value	Cost	Net Book Value	Cost	Net Book Value
Century City Development Corporation	127.4	26.1	36.1	17.5	163.6	43.7
Century Limitless Corporation	107.3	59.5	20.7	8.3	128.0	67.7
Milano Development Corporation	11.7	7.0	0.2	0.1	11.9	7.1
Centuria Medical Development Corporation	5.1	3.6	0.3	0.2	5.4	3.8
Century Communities Corporation	-	-	22.3	1.0	22.3	1.0
Century Properties Management, Inc.	-	-	27.1	6.8	27.1	6.8
Century Properties Group, Inc. (Parent)	-	-	37.7	27.6	37.7	27.6
Total CPGI Construction Equipment	**251.5**	**96.2**	**144.4**	**61.6**	**395.9**	**157.8**

REGULATORY AND ENVIRONMENTAL MATTERS

Presidential Decree No. 957, otherwise known as The Subdivision and Condominium Buyer's Protective Decree ("P.D. 957"), and Batas Pambansa Blg. 220 ("B.P. 220"), as amended, are the principal statutes which regulate the development and sale of real property as part of a condominium project.

P.D. 957 and B.P. 220 cover subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes, and condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with LGUs, enforces these decrees and has jurisdiction to regulate the real estate trade and business.

All condominium plans for residential, commercial, industrial and other development projects are subject to approval by the pertinent LGU of the area in which the project is situated. The development of condominium projects can commence only after the LGU has issued the relevant permits and the HLURB has issued the development permit.

The issuance of a development permit is dependent on, among others (i) compliance with required project standards and technical requirements which may differ depending on the nature of the project, and (ii) issuance of the barangay clearance, the HLURB locational clearance, DENR permits, and Department of Agrarian Reform ("DAR"), as applicable, conversion or exemption orders as discussed below.

Further, all condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the HLURB and the written conformity or consent of the duly organized homeowners association. Owners of, or dealers in, real estate projects are required to obtain licenses to sell before making sales or other dispositions of real estate projects. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon complaint from an interested party for reasons such as insolvency or violation of any of the provisions of P.D. 957. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws.

Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance by the owner or dealer with the applicable laws and regulations.

CONDOMINIUM PROJECTS

Republic Act No. 4726, otherwise known as The Condominium Act ("R.A. No. 4726"), as amended, likewise regulates the development and sale of condominium projects. R.A No. 4726 requires the annotation of the master deed on the title of the land on which the condominium project shall be located. The master deed contains, among other things, the description of the land, building/s, common areas and facilities of the condominium project. A condominium project may be managed by a condominium corporation, an association, a board of governors or a management agent, depending on what is provided in the declaration of restrictions of the condominium project. However, whenever the common areas are held by a condominium corporation, such corporation shall constitute the management body of the project.

ZONING AND LAND USE

Land use may be also limited by zoning ordinances enacted by LGUs. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant LGU. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome. Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

ENVIRONMENTAL LAWS

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain ECC prior to commencement. The DENR, through its regional offices or through the Environmental Management Bureau ("EMB"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the Issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("EIS") to the EMB while a project in an environmentally critical area are generally required to submit an Initial Environmental Examination ("IEE") to the proper DENR regional office. In case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the projects' environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The ECC is a Government certification, which provides that based on the representations of the proponent, the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase. The ECC also provides for other terms and conditions, any violation of which would result in a fine or the cancellation of the ECC.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF is intended to answer for damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

PROPERTY REGISTRATION AND NATIONALITY RESTRICTIONS

The Philippines has adopted a system of land registration which conclusively confirms land ownership which is binding on all persons, including the Government. Once registered, title to registered land can no longer be challenged except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper surveying, application, publication and service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals or the Supreme Court. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration. Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents such as homestead, sales and free patents, must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer of encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new Transfer Certificate of Title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

All documents evidencing conveyances of subdivision and condominium units should also be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the purchase price. Any mortgage existing thereon must be released within six months from the delivery of title. To evidence ownership of condominium units, a Condominium Certificate of Title is issued by the Register of Deeds.

NATIONALITY RESTRICTIONS

The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to corporations the outstanding capital stock of which is at least 60% owned by Philippine Nationals. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%.

Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991, and the Ninth Regular Foreign Investment Negative List, provide that certain activities are nationalized or partly- nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under these regulations, and in accordance with the Philippine Constitution, ownership of private lands is partly nationalized and thus, landholding companies may only have a maximum of 40% foreign equity.

PROPERTY TAXATION

Real property taxes are payable annually based on the property's assessed value. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. An additional special education fund tax of 1% of the assessed value of the property is also levied annually.

LEGAL PROCEEDINGS

On October 31, 2013, the Company signed a Memorandum of Agreement with Eagle I Landholdings, Inc. ("Eagle I") to develop 5 hectares of land within the 44 hectare site named "Manila Bay Resorts". The 5 hectare site will potentially include luxury residential and retail properties that will total over 300,000 sq. m. of gross floor area upon completion.

In addition, CPGI entered into an investment agreement with Eagle I whereby with 432,000,000 preferred shares representing 36% of Eagle I's pro forma capital stock will be issued subject to certain terms and conditions.

In line with this transaction, CPGI discosed that on April 1, 2014, in connection with the Petition for Interim Measures of Protection filed on March 31, 2014 against the Okada Group and docketed as Civil Case No. 14-359 before the Regional Trial Court, Makati City, Branch 66 (the "Court"), the Court issued an Order granting the application by CPGI for the issuance of an immediately executory 20-day Temporary Order of Protection. On April 30, 2014, the Court issued an order dated April 23, 2014 extending the Temporary Order of Protection for another 20 days. Finally, on May 19, 2014, CPGI disclosed that the Court issued an order dated May 13, 2014 (denying and dismissing the Petition for Interim Measures of Protection for lack of merit. CPGI is studying its legal options concerning their transaction with Eagle I and the other respondents.

From time to time, the Company and its Subsidiaries, its Board of Directors and Key Officers are subject to various civil, criminal and administrative lawsuits and other legal actions arising in the ordinary course of its business. Typical cases include adverse claims over title to land, claims for recovery of money and damages and claims for cancellations of sales agreements and refund of deposits. In the opinion of the Company's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material adverse effect on the Company's consolidated financial position and results of operations.

LIST OF CASES FOR CPI, CPGI AND SUBSIDIARIES AS OF JUNE 30, 2014

CPGI

CASE TITLE	COURT/ AGENCY	NATURE
Century Properties Group, Inc. vs. Eagle I Landholdings, Inc., et al.	RTC 66 Makati	Petition for Interim Measures for Protection
Remegio Habana v. CPGI, Bernardo Tadeja, Jr., Tadeja Transport and Tadeja Company	NLRC	Illegal dismissal with money claims and damages
Enrique Yuson, Jr. v. CPGI, CPI, et. al.	NLRC	Illegal dismissal with money claims and damages
Alena Rebmann vs. CPGI, et al.	RTC MAKATI	Sum of Money
CPGI vs. Michael Francis Oyao	OCP, Makati	Violation of E-Commerce Law
Carlo Jan Mendoza Centeno vs. CPI/CPGI, et al.	NLRC QC	Actual Illegal Dismissal and Money Claims
Michael Francis O. Oyao vs. CPGI, et al.	NLRC	Illegal Dismissal and Money Claims

CPI

CASE TITLE	COURT/ AGENCY	NATURE
CPI vs. King James Auction Liquidators, Inc.	RTC 132 Makati	Sum of money and damages
GMA Network, Inc. vs. CPI & Edwin Babiano	RTC 220 QC	Collection of Sum of Money
Sps. Mirko and Anna Giebels vs. CPI	HLURB	Delivery of CAR –
Jimmy T. Go a.k.a Jaime T. Gaisano vs. United Coconut Planters Bank and Century Properties, Inc.	RTC 62 Makati	Petition for Declaration of Nullity of Memorandum of Agreement

		and Contract to Sell
Edwin J. Babiano & Emma B. Concepcion v. Century Properties Inc./Jose Eduardo B. Antonio	NLRC	Illegal Dismissal and Monetary Claims
CPI v. Hon. Alex A. Lopez, Gregorio Bilog III, Pablo Espiritu, Jr., and Enrique Yuson, Jr.	Court of Appeals	Petition for Certiorari with Preliminary Injunction and Issuance of TRO

CLC

CASE TITLE	COURT/ AGENCY	NATURE
Noah's Ark Group of Companies, et al. vs. UCPB, Century Limitless Corporation and Century Properties, Inc.	RTC 212 Mandaluyong	Petition for Declaratory Relief
Columbian Motors Group vs. Emmanuel G. Victoria, et al.	RTC 276 Paranaque	Cancellation of Adverse Claim
Luningning Blum vs. CLC	HLURB QC	Refund
Keng Yen Lim and Winace M. Ogaya v. CLC, et. al.	HLURB	Refund with damages

CCDC

CASE TITLE	COURT/ AGENCY	NATURE
Lin Shiu-Kuo aka Alex S.K. Lin v. Century Properties, Inc., CCDC	HLURB	Refund, Specific Performance, Damages
Richard Lim vs. CCDC	HLURB QC	Delivery of Title
Sps. Wild vs. CCDC	HLURB QC	Refund

CCC

CASE TITLE	COURT/ AGENCY	NATURE
People of the Philippines v. Ricardo Cobankiat	Regional Trial Court – Makati (Branch 141)	Estafa under RPC Art. 315, par. 2(a).
Isabel Seki v. CCC	HLURB	Refund with damages and attorney's fees
Cynthia Cruz v. CCC and Elite Union	HLURB	Rescission of Contract, Refund and Damages
Cynthia Cruz v. CCC and Elite Union	HLURB Commission	Appeal
Herminigilda Macalalad vs. CCC, et. al.	HLURB	Delivery of Title and Damages –

MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

The shares of the Company consist solely of common shares, which are presently being traded in the Philippine Stock Exchange, Inc. The high and low sales prices for the shares of the Company for each quarter within the last three (3) fiscal years and interim period of 2014 are as follows:

2014	***High***	***Low***
First quarter	₱1.58	₱1.28

2013	***High***	***Low***
First quarter	₱2.44	₱2.12
Second quarter	2.33	1.36
Third quarter	1.68	1.54
Fourth quarter	2.00	1.32

2012	***High***	***Low***
First quarter	₱2.47	₱1.55
Second quarter	1.77	1.40
Third quarter	1.57	1.35
Fourth quarter	1.52	1.38
2011	***High***	***Low***
First quarter	P0.43	P0.27
Second quarter	0.95	0.26
Third quarter	5.66	0.77
Fourth quarter	2.70	1.67

The closing price of the Company's shares of stock as of May 30, 2014 is ₱1.41 per share.

STOCKHOLDERS

The number of shareholders of the Company of record as of May 31, 2014 was Four Hundred Eighty Three (483). The number of issued and outstanding common shares of the Company as of May 31, 2014 is Nine Billion Six Hundred Eighty Five Million Two Hundred Eighty Seven Thousand and Twenty Seven (9,685,287,027). All shares of the Company are common stock.

The top 20 stockholders as of May 31, 2014 are as follows:

Name	Number of Shares Held	% to Total
1.CENTURY PROPERTIES, INC.	6,194,723,057	63.865
2.PCD NOMINEE CORPORATION (NON-FILIPINO)	2,134,594,911	22.007
3.PCD NOMINEE CORPORATION (FILIPINO)	1,352,093,986	13.940
4.ERNESTO B. LIM	10,500,000	0.108

5.VICTOR S. CHIONGBIAN	3,333,332	0.034
6.ANTONIO ANDRES CHUA	1,200,000	0.012
7.ANTONIO A. INDUCTIVO	599,990	0.006
8.VICENTE GOQUIOLAY & CO., INC.	327,600	0.003
9.MAGDALENO B. DELMAR, JR.	299,563	0.003
10.QUALITY INVESTMENTS & SECURITIES CORPORATION	250,000	0.003
11.ROMAN T. YAP	120,000	0.001
12.ANTONIO C. CUYOS	115,383	0.001
13.B. L. TAN SECURITIES, INC.	100,000	0.001
14.ALFREDO B. CHIA	100,000	0.001
15.MILAGROS ILETO	100,000	0.001
16.ORIFIEL Y. BARREDO	65,698	0.001
17.EASTERN SECURITIES DEV T. CORP.	60,000	0.001
18.TEE LING KIAT &/OR LEE LIN HO	60,000	0.001
19.PACIFICO B. TACUB	50,000	0.001
20.ROBERTO MELO	43,200	0.000

CPGI'S DIVIDENDS AND DIVIDEND POLICY

CPGI declares dividends to shareholders of record, which are paid fro the CPGI's unrestricted retained earnings. Below is the summary of CPGI's dividend declaration for fiscal year 2011, 2012 and 2013.

Fiscal Year	Total Amount of Dividends	Amount of dividends per share
2011	₱86,449,496	₱0.0097 per share
2012	₱184,436,193	₱0.019024 per share
2013	₱184,471,576	₱0.019046578 per share

CPGI intends to maintain an annual cash dividend payment ratio for the issued and outstanding common shares of the Company of approximately 10% of its consolidated net income from the preceding fiscal year, subject to the requirements of applicable laws and regulations, availability of unrestricted retained earnings and the absence of circumstances which may restrict the payment of such dividends.

CPGI's net income for fiscal year 2011 was ₱864.5 million (excluding non controlling interests), and it paid dividends of ₱86.4 million to its stockholders in April of 2012. CPGI's net income for fiscal year 2012 was ₱1,844 million, and it paid dividends of ₱184.4 million to its stockholders in May of 2013. CPGI's net income for fiscal year 2013 was ₱1,845 million, and it paid dividends of ₱184.5 million to its stockholders in June of 2014.

CCDC, a fully owned subsidiary of CPGI, declared dividends to CPGI of ₱150 million in 2012, ₱1,300 million in 2013 and ₱200 million in March 2014. The subsidiaries do not have a stated dividend policy. Rather, each subsidiary ensures that on aggregate, the subsidiaries adhere to CPGI's dividend policy of distributing at least 10% of CPGI's prior year's net income.

SELECTED FINANCIAL INFORMATION

The selected financial information set forth in the following tables has been derived from the Company's interim condensed consolidated financial statements as of March 31, 2014 and its audited consolidated financial statements as of December 31, 2013, 2012, and 2011. This should be read in conjunction with the interim condensed consolidated financial statements and audited consolidated financial statements annexed to this Prospectus, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein.

The Company's unaudited interim condensed consolidated financial statements were prepared in compliance with PAS 34, "Interim Financial Reporting", and were reviewed by SGV & Co., in accordance with Philippine Standard on Review Engagement ("PSRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The Company's audited consolidated financial statements were prepared in accordance with the Philippine Financial Reporting Standards and were audited by SGV & Co., in accordance with Philippine Standards on Auditing ("PSA").

The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In Million Pesos (₱)	**For the three months ended March 31**		**For the years ended December 31**		
	2014 Reviewed	**2013 Reviewed**	**2013 Audited**	**2012 Audited**	**2011 Audited**
Revenue					
Real estate sales	2,424	2,207	9,304	8,582	3,761
Gain from change in fair value of investment properties	-	-	-	-	-
Property management fee and other services	72	64	254	222	192
Interest income from accretion	262	174	655	321	434
Interest and other income	76	152	566	486	316
Gain on change in fair value of derivative asset	43	-	30	-	-
Total Revenue	**2,877**	**2,598**	**10,809**	**9,611**	**4,702**
Cost and Expenses					
Cost of real estate sales	1,535	1,328	5,767	4,941	2,444
Cost of services	54	42	186	158	142
General, administrative and selling expenses	495	485	2,042	1,960	794
Interest and other financing charges	75	29	97	63	75
Total Cost and Expenses	**2,160**	**1,884**	**8,092**	**7,121**	**3,455**
Income Before Tax	**717**	**714**	**2,717**	**2,490**	**1,247**

Provision for Income Tax	**203**	**214**	**873**	**640**	**381**
Net Income	**514**	**500**	**1,845**	**1,850**	**866**
Other Comprehensive Income					
Unrealized gain (loss) on available-for-sale financial assets	-	-	1	-	-
Remeasurement Loss on Defined Benefit Plan	-	-	(26)	(22)	(9)
Total Comprehensive Income	**514**	**500**	**1,820**	**1,828**	**857**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

In Million Pesos (₱)	March 31, 2014 Reviewed	December 31, 2013	December 31, 2012	December 31, 2011
ASSETS				
Current Assets				
Cash and cash equivalents	915	1,439	902	367
Receivables	5,575	5,877	6,191	1,604
Real estate inventories	6,733	7,027	3,952	1,553
Land held for future development	86	86	1,196	1,306
Due from related parties	182	177	166	156
Advances to suppliers and contractors	1,372	1,315	925	2,300
Prepayments and other current assets	1,295	1,266	1,867	637
Derivative Asset	73	30	-	-
Total Current Assets	**16,231**	**17,217**	**15,199**	**7,922**
Noncurrent Assets				
Real estate receivables - net of current portion	3,450	3,217	589	371
Land held for future development - net of current portion	388	380	-	-
Investment in and advances to joint venture	54	49	-	-
Deposits for purchased land	220	154	-	-
Available-for-sale financial assets	9	9	8	10
Investment properties	4,191	4,081	1,920	1,119
Property and equipment	144	158	191	192
Intangible assets	36	18	3	3
Deferred tax assets - net	143	125	101	196
Other noncurrent assets	832	758	545	220
Total Noncurrent Assets	**9,467**	**8,949**	**3,357**	**2,111**
TOTAL ASSETS	**25,698**	**26,166**	**18,556**	**10,033**
LIABILITIES AND EQUITY				

Current Liabilities				
Accounts and other payables	3,601	4,629	2,869	968
Customers‟ advances and deposits	1,707	2,223	2,288	2,731
Short-term debt	716	580	352	16
Current portion of long-term debt	1,767	1,178	388	369
Due to related parties	31	32	113	115
Current portion of liability for purchased land	2	2	2	20
Current portion of obligation under finance lease	-	-	-	-
Income tax payable	9	6	98	149
Total Current Liabilities	**7,833**	**8,650**	**6,110**	**4,368**
Noncurrent Liabilities				
Long-term debt - net of current portion	3,965	4,281	2,922	497
Liability for purchased land - net of current portion	28	28	28	66
Pension liabilities	147	143	92	31
Obligations under finance lease	-	-	-	-
Deferred tax liabilities - net	1,775	1,629	1,163	749
Total Noncurrent Liabilities	**5,915**	**6,081**	**4,205**	**1,342**
Total Liabilities	**13,748**	**14,731**	**10,315**	**5,710**
Equity				
Capital stock	5,141	5,141	4,717	4,010
Additional paid-in capital	2,640	2,640	1,483	3
Treasury shares	(23)	(23)	-	-
Retained earnings	4,258	3,744	2,083	321
Equity reserve	(7)	(7)	(7)	-
Unrealized loss on available-for-sale financial assets	(3)	(3)	(5)	(4)
Remeasurement Loss on Defined Benefit Plan	(56)	(57)	(30)	(9)
Total equity attributable to Parent Company	**11,950**	**11,435**	**8,241**	**4,321**
Non-controlling interests	-	-	-	2
Total Equity	**11,950**	**11,435**	**8,241**	**4,323**
TOTAL LIABILITIES AND EQUITY	**25,698**	**26,166**	**18,556**	**10,033**

CONSOLIDATED STATEMENTS OF CASH FLOW

In Million Pesos (₱)	For the three months ended March 31		For the years ended December 31		
	2014 Reviewed	2013 Reviewed	2013 Audited	2012 Audited	2011 Audited
Net cash used in operating activities	(641)	(107)	(1,586)	(3,414)	(252)
Net cash provided by (used in) investing activities	(232)	(208)	(1,548)	(863)	325
Net cash provided by (used in) financing activities	350	1,770	3,671	4,812	11
Net increase (decrease) in cash and cash equivalents	(523)	1,455	537	535	84
Cash and cash equivalents at beginning of period	1,439	902	902	367	283
Cash and cash equivalents at end of period	915	2,357	1,439	902	367

FINANCIAL RATIOS

As indicated	For the three months ended March 31,		For the years ended December 31		
	2014	2013	2013	2012	2011
EPS, basic / diluted (₱)	0.054	0.055	0.193	0.212	0.102
ROA	7.9%	10.2%	8.2%	12.9%	9.9%
ROE	17.6%	21.5%	18.8%	29.4%	23.8%
Interest coverage ratio (x)	12.2x	28.9x	94.0x	51.7x	21.8x
	March 31, 2014 Reviewed	**March 31, 2013 Reviewed**	**December 31, 2013**	**December 31, 2012**	**December 31, 2011**
Current ratio (x)	2.0x	3.2x	2.0x	2.5x	1.8x
Debt to equity ratio (x)	0.5x	0.4x	0.5x	0.4x	0.2x
Net debt to equity ratio (x)	0.5x	0.1x	0.4x	0.3x	0.1x
Asset to equity ratio (x)	2.2x	2.0x	2.3x	2.3x	2.3x
Total Liabilities / Total Equity	1.2x	1.0x	1.3x	1.3x	1.3x

Notes:

8) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two)
9) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two)
10) Interest coverage ratio is equal to earnings before interest and taxes (EBIT) divided by interest expenses
11) Current ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity
12) Debt to Equity ratio computed by dividing total interest-bearing debt by total equity
13) Net debt-to-equity ratio is calculated as total interest-bearing debt minus cash and cash equivalents divided by total equity as of the end of the period.
14) Asset to Equity ratio is total assets over total equity

CONSOLIDATED REVENUE AND NIAT

	Century	Century	Century Property	Century City	CPGI and Eliminating	CPGI
Mar-14	Limitless Corp	Communities Corp	Management Inc	Development Corp	Entries (1)	Consolidated
Revenue	1,773	20	72	1,018	(6)	2,877
Net Income	441	(7)	4	169	(92)	514

	Century	Century	Century Property	Century City	CPGI and Eliminating	CPGI
Mar-13	Limitless Corp	Communities Corp	Management Inc	Development Corp	Entries (1)	Consolidated
Revenue	1,230	297	65	1,004	2	2,598
Net Income	227	92	7	178	(5)	500

	Century	Century	Century Property	Century City	CPGI and Eliminating	CPGI
FY 2013	Limitless Corp	Communities Corp	Management Inc	Development Corp	Entries (1)	Consolidated
Revenue	6,509	269	255	3,744	32	10,809
Net Income	1,317	47	5	543	(67)	1,845

	Century	Century	Century Property	Century City	CPGI and Eliminating	CPGI
FY 2012	Limitless Corp	Communities Corp	Management Inc	Development Corp	Entries (1)	Consolidated
Revenue	4,203	156	223	5,013	16	9,611
Net Income	778	42	14	1,025	(9)	1,850

	Century	Century	Century Property	Century City	CPGI and Eliminating	CPGI
FY 2011	Limitless Corp	Communities Corp	Management Inc	Development Corp	Entries (1)	Consolidated
Revenue	775	520	192	3,215	-	4,702
Net Income	10	107	9	744	(4)	866

(1) Includes CPGI's separate revenue and net income, aside from that of its subsidiaries. Also, includes intercompany revenue and expense eliminating entries for consolidation.

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

This should be read in conjunction with the interim consolidated financial statements and audited consolidated financial statements annexed to this Prospectus, as well as the yearly filed 17A and quarterly filed 17Q.

REVIEW OF 1ST QUARTER 2014 VS 1ST QUARTER 2013

RESULTS OF OPERATIONS

Real Estate

The Group account for real estate revenue from completed housing and condominium units and lots using the full accrual method. The Group uses the percentage of completion method, on a unit by unit basis, to recognize income from sales where the Group has material obligations under the sales contract to complete after the property is sold. Under this method, revenue is recognize as the related obligations are fulfilled, measured principally in relation to actual costs incurred to date over the total estimated costs. The Group typically requires payment of 20% to 50% of the total contract price, depending on the type of property being purchased, and buyers are given the duration of the construction period to complete such payment.

For the quarter ended March 31, 2014, the Group recorded revenue from real estate sales amounting to P2,424.0 million and posted an increase of 9.8% from P2,206.8 million in the same period of 2013. The increase was due to recognition of more real estate sales pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods. During 2014, CCDC reported P903.7 million primarily from Knightsbridge, Trump Tower and Milano Residences including Centuria Medical Tower as compared to P855.4 million in the same period of 2013. CLC reported P1,503.8 million of revenue from real estate sales particularly from certain towers of Azure, Aqua and Commonwealth Residences as compared to P1,059.9 million in the same period of 2013. Moreover, CCC has reported P16.5 million of revenue from Canyon Ranch as compared to P291.5 million in same period of 2013.

Interest and Other Income

Interest and other income, which includes includes gain on change in fair value of derivative asset, increased by 16.7% to P381.0 million in the quarter ended March 31, 2014 from P326.5 million in the same period ended March 31, 2013. This increase was due primarily to non-cash accretion of unamortized discounts reflecting increased revenue from real estate sales, and forfeited collections and valuation gain from hedging contract, during the year.

Property management fee and other services

Property management fee and other services increased by 11.2% to P71.7 million in the quarter ended March 31, 2014 from P64.5 million in the quarter ended March 31, 2013. This increase was primarily due to additional buildings under management and management fee rate escalations for some of the projects under management ranging from 5% to 10%. The number of projects under management as of March 31, 2014 is 51 from 47 as of March 31, 2013.

Costs and Expenses

Cost and expenses increased by 14.7% to P2,159.8 million during the 1st quarter of 2014 from P1,883.6 million for the same period ended March 31, 2013.

- Cost of real estate sales increased by 15.6% from P1,328.3 million in the quarter ended March 31, 2013 to P1,535.5 million in the quarter ended March 31, 2014. This was primarily due to the corresponding growth in revenue from real estate sales as well as increased in certain component of development costs.

- Cost of services increased by 27.8% to P53.9 million for the quarter ended March 31, 2014 from P42.1 million in the quarter ended March 31, 2013. This was primarily due to corresponding growth in property management and other service fees.

- General, administrative and selling expenses increased by 2.2% to P495.4 million in the quarter ended March 31, 2014 from P484.5 million in the quarter ended March 31, 2013. The increase was primarily due to increased amortization of deferred marketing expenses given more projects are undergoing construction and development.

- Interest and other financing charges increased by 162.5% to P75.1 million for the quarter ended March 31, 2014 from P28.6 million for the 1st quarter of 2013. This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year.

Provision for Income Tax
Provision for income tax decreased by 5.3% to P202.7 million in the quarter ended March 31, 2014 from P214.1 million in the quarter ended March 31, 2013 as a result of lower taxable income during the period.

Net Income
As a result of the foregoing, net income increased by 2.8% to P514.3 million for the quarter ended March 31, 2014 from P500.1 million in the quarter ended March 31, 2013.

FINANCIAL CONDITION

As of March 31, 2014 vs. December 31, 2013
Total assets as of March 31, 2014 declined by 1.8% to P25,698 million from P26,166.0 million as of December 31, 2013. This was due to the following:

- Cash and cash equivalents decreased by P523.5 million from P1,438.9 million as of December 31, 2013 to P915.4 million as of March 31, 2014 primarily due to significant spending for the construction of projects at Century City, Azure Urban Resort Residences, Acqua Private Residences, Commonwealth Residences and Canyon Ranch and reduced fund raising activity from placement and subscription agreement.

- Receivables slightly decreased by 0.7% from P9,093.8 million as of December 31, 2013 to P8,996.9 million as of March 31, 2014 due to collections on completed and turn-overed units.

- During the quarter ended March 31, 2014, Real estate inventories decreased by 4.2% from P7,026.9 million as of December 31, 2013 to P6,733.1 million due to recognition of cost of real estate sales.

- Land held for future development slightly increased by 1.8% or P8.3 million during the 1st quarter of 2014 due to additional cost incurred for the said land.

- Investment properties posted an increase of 2.7% to P4,191.0 million as of March 31, 2014 as compared to P4,080.8 million as of December 31, 2013 primarily due to completion of Century City Lifestyle Center and other costs incurred for Forbes and Spire Buildings.

Total liabilities as of March 31, 2014 were P13,748.3 million compared to P14,731.0 million as of December 31, 2013, or a 6.7% decrease. This was due to the following:

- Accounts and other payables decreased by 22.2% from P4,629.1 million as of December 31, 2013 to P3,601.2 million as of March 31, 2014 due to payments of accruals made at the end of 2013.

- Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, syndicated loans, and bi-lateral term loans, increased by 6.8% from P6,039.1 million as of December 31, 2013 to P6,447.7 million as of March 31, 2014 due to draw down or availments made during the year.

- Pension liabilities slightly increased by 2.9% from P142.7 million as of December 31, 2013 to P146.9 million as of March 31, 2014 as a result of accrual pension expense during the period.

- Income tax payable increased by 55.0%.4 from P5.8 million as of December 31, 2013 to P9.0 million as of March 31, 2014 primarily due to accrual of income tax payments for the 1st quarter of 2014.

Total stockholder's equity net increased by 4.5% to P11,949.4 million as of March 31, 2014 from P11,435.0 million as of December 31, 2013 due to the net income recorded for the quarter ended March 31, 2014.

Below is a table showing the key performance indicators of the Company for 1st Quarter 2013 and 1st Quarter 2014.

	As of March 31	
	2014	**2013**
Current Ratio	**2.0x**	**3.2x**
Debt to Equity Ratio	**0.5x**	**0.4x**
Total Liabilities to Total Equity Ratio	**1.2x**	**1.0x**
Asset to Equity Ratio	**2.2x**	**2.0x**
	For the quarter ended March 31	
	2014	**2013**
Return on Assets [Annualized]	**7.9%**	**10.2%**
Return on Equity [Annualized]	**17.6%**	**21.5%**
EBITDA	**787.0**	**740.6**
Net debt-to-equity ratio	**0.5x**	**0.1x**

Notes:
1) Current ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity.
2) Debt to Equity ratio computed by dividing total interest-bearing debt by total equity
3) Asset to Equity ratio is total assets over total equity
4) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).
5) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).
6) Net debt-to-equity ratio is calculated as total interest-bearing debt minus cash and cash equivalents divided by total equity as of the end of the period.

Material Changes to the Company's Balance Sheet as of March 31, 2014 compared to December 31, 2013 (increase/decrease of 5% or more)

Cash and cash equivalents decreased by P523.5 million from P1,438.9 million as of December 31, 2013 to P915.4 million as of March 31, 2014 primarily due to significant spending for the construction of projects at Century City, Azure Urban Resort Residences, Acqua Private

Residences, Commonwealth Residences and Canyon Ranch and reduced fund raising activity from placement and subscription agreement.

Derivative assets increased by 143.1% due to valuation gain recognized during the period.

As of March 31, 2014, the Company's investment in A2 Global, Inc. amounted to P53.8 million which increased by 10.3% from P48.8 million as of December 31, 2013. In addition to the investment made by the Company to A2 Global, Inc, the Company's deposits for land acquisitions also increased by 42.1% to P219.5 million as of March 31, 2014 from P154.5 million as of December 31, 2013.

Property and equipment accounts decreased by 8.6% from P157.7 million as of December 31, 2013 to P144.1 million as of March 31, 2014 primarily due to depreciation recognized during the period.

As of March 31, 2014, intangible assets account increased by 101.6% to P36.2 million from P18.0 million as of December 31, 2013 due to acquisition of certain software and trademarks.

Other non-current assets increased by 9.7% from P758.1 million as of December 31, 2013 to P831.7 million as of March 31, 2014 due to rentals and other security deposits made during the year as well non-current portion of deferred marketing expenses for newly launched projects with no percentage-of-completion as of March 31, 2014.

Accounts and other payables decreased by 22.2% from P4,629.1 million as of December 31, 2013 to P3,601.2 million as of March 31, 2014 due to payments of accruals made at the end of 2013.

Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, syndicated loans, and bi-lateral term loans, increased by 6.8% from P6,039.1 million as of December 31, 2013 to P6,447.7 million as of March 31, 2014 due to draw down or availments made during the year.

Income tax payable increased by 55.0%.4 from P5.8 million as of December 31, 2013 to P9.0 million as of March 31, 2014 primarily due to accrual of income tax payments for the 1st quarter of 2014.

Deferred tax liabilities (net of deferred tax assets) increased by 8.5% from P1,504.1 million as of December 31, 2013 to P1,632.3 million as of March 31, 2014 due to additional future taxable items during the period.

ADDITIONAL DISCLOSURES

INVENTORIES: The Group has no inventories carried at FV. Carrying amount pledged as security for liabilities totals P4,273,538,963.00, disclosure was provided in Note 6 – Real Estate Inventories and Note 19 – Short-term and Long-term debt of December 31, 2013 audited FS.

LIABILITIES: Disclosure in Note 19, pages 43 to 45 state that the Company has negative covenants and financial ratio to comply. Furthermore, provided below are the negative covenants and financial ratio that the Company must observe.

Certain bi-lateral, LCTR and syndicated term loans have mortgaged property wherein such property can no longer allowed to be separately used as collateral for another credit facility, grant loans to directors, officers and partners, and act as guarantor or surety in favor of banks.

Certain bi-laterals have the covenants to include maintenance of a debt-to-equity ratio of not more than 2.33, and a debt service coverage ratio of at least 1.5x. The syndicated term loan has a covenant, specific to the projects it is financing, of having debt to security value of no more than 20% of the properties. Security value includes, among other things, valuation appraised by independent appraisers and takes into account the sold and unsold sales / market value of the properties.

INVESTMENT PROPERTY: Detailed below are the cost-to-complete and the respective percentage of completion of each project as of December 31, 2013:

Project	Estimated Cost-to-Complete	Percentage of Completion (Building Construction)	Percentage of Completion (Land)
Retail Mall	11,302,543	99.3%	100%
Centuria	116,562,853	65.6%	100%
Spire	1,968,160,925	0.0%	100%
Forbes	825,385,652	0.0%	100%
Total	**2,921,411,973**		

RECEIVABLES: Disclosure on impairment of receivables provided in Note 3, pages 28 and 29 of the Consolidated Audited Financial Statements as of December 31, 2013.

Please see below the amended past due table found on page 61 and page 62 of the notes of the Consolidated Audited Financial Statements as of December 31, 2013.

Real Estate Receivables – Page 61	2013	2012
High Grade	8,017,386,990	5,413,342,450
Medium Grade	0	0
Low Grade	0	0
Past due but not Impaired*	74,426,342	54,800,936
Impaired	0	0
Total	**8,091,813,331**	**5,468,143,386**

** Note: Represents 0.9% of total receivables.*

Real Estate Receivables – Page 62	2013	2012
Neither Pat Due nor Impaired	8,017,386,990	5,413,342,450
Past due but not impaired, 30 days	11,271,866	10,342,567
Past due but not impaired, 60 to 90 days	8,318,947	7,742,977
Past due but not impaired, 90 to 120 days	9,371,454	4,836,245
Past due but not impaired, over 120 days	45,464,074	31,879,148
Impaired Financial Assets	0	0
Total	**8,091,813,331**	**5,468,143,386**

Notwithstanding the past due amounts per above, the company still has no impaired real estate receivables pursuant to PAS 39

According to PAS 39, *Financial Instruments: Recognition and Measurement*, an entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the entity shall apply paragraph 63 (for financial assets carried at amortized cost), paragraph 66 (for financial assets carried at cost) or paragraph 67 (for available-for-sale financial assets) to determine the amount of any impairment loss.

Par. 63 states that,

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

While the past-due receivables are indicators that a possible impairment may exist, no impairment losses were recognized because for real estate companies, exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made. Further, based on the testing made, the recoverable amount of these assets (which is technically held as collateral for these receivables), exceed the carrying value of the receivables.

COST AND EXPENSES: Commissions paid to sales or marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Accordingly, when the percentage of completion method is used, commissions are likewise charged to expense in the period the related revenue is recognized. When the completed contract method is used, commissions are likewise charged to expense when the revenue is recognized.

In this regard since the Company adopts the percentage of completion method in recognizing revenue, the Group defers 100% of commission paid when there is no percentage of completion yet for a particular project. Likewise, commissions are charged to expenses according to the percentage of completion of a particular project.

The above expense recognition is appropriately disclosed in Note 2 – Cost and Expenses Recognition of the Groups notes to financial statements.

This is based on local industry practice which in turn is based on U.S. GAAP FAS 67.

Accounting for sales of pre-completed real estate units shall reflect the economic substance of such sales. In determining the revenue from a real estate project and in establishing the selling price for the real estate units, a real estate developer considers all the costs that are necessary to earn that revenue.

PIC Q&A No. 2006-01: PAS 18, Appendix, Paragraph 9 – Revenue recognition for sales of property units under pre-completion contracts, provides for the use of a method that is similar to the percentage of completion method (the term used in practice for such method) in recognizing revenue from the sale of pre-completed real estate units. It does not, however, address the accounting for the costs of pre-completed real estate units.

While not specifically stated in the PIC Q&A, the guidance in the Q&A was influenced by U.S. FAS 66, Accounting for Sales of Real Estate. Consistent with the implicit use of U.S. FAS 66 guidance in accounting for sales from pre-completed real estate units, reference is also made to the corresponding guidance set forth in U.S. FAS 67, Accounting for Costs and Initial Rental Operations of Real Estate Project, with respect to the accounting for the cost side of the sales:

17. Costs incurred to sell real estate projects shall be capitalized if they (a) are reasonably expected to be recovered from the sale of the project or from incidental operations and (b) are incurred for (1) tangible assets that are used directly throughout the selling period to aid in the sale of the project or (2) services that have been performed to obtain regulatory approval of sales. Examples of costs incurred to sell real estate projects that ordinarily meet the criteria for

capitalization are costs of model units and their furnishings, sales facilities, legal fees for preparation of prospectuses, and semi permanent signs.

18. Other costs incurred to sell real estate projects shall be capitalized as prepaid costs if they are directly associated with and their recovery is reasonably expected from sales that are being accounted for under a method of accounting other than full accrual. Costs that do not meet the criteria for capitalization shall be expensed as incurred.

19. Capitalized selling costs shall be charged to expense in the period in which the related revenue is recognized as earned. When a sales contract is cancelled (with or without refund) or the related receivable is written off as uncollectible, the related unrecoverable capitalized selling costs shall be charged to expense or an allowance previously established for that purpose.

Material Changes to the Company's Statement of income for the year ended March 31, 2014 compared to the year ended December 31, 2013 (increase/decrease of 5% or more)

For the quarter ended March 31, 2014, the Group recorded revenue from real estate sales amounting to P2,424.0 million and posted an increase of 9.8% from P2,206.8 million in the same period of 2013. period of 2013. The increase was due to recognition of more real estate sales pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods. During 2014, CCDC reported P903.7 million primarily from Knightsbridge, Trump Tower and Milano Residences including Centuria Medical Tower as compared to P855.4 million in the same period of 2013. CLC reported P1,503.8 million of revenue from real estate sales particularly from certain towers of Azure, Aqua and Commonwealth Residences as compared to P1,059.9 million in the same period of 2013. Moreover, CCC has reported P16.5 million of revenue from Canyon Ranch as compared to P291.5 million in same period of 2013.

Property management fee and other services increased by 11.2% to P71.7 million in the quarter ended March 31, 2014 from P64.5 million in the quarter ended March 31, 2013. This increase was primarily due to additional buildings under management and management fee rate escalations for some of the projects under management ranging from 5% to 10%. The number of projects under management as of March 31, 2014 is 51 from 47 as of March 31, 2013.

Interest and other income increased by 16.7% to P381.0 million in the quarter ended March 31, 2014 from P326.5 million in the same period ended March 31, 2013. This increase was due primarily to non-cash accretion of unamortized discounts reflecting increased revenue from real estate sales, and forfeited collections and valuation gain from hedging contract, during the year.

Cost of real estate sales increased by 15.6% from P1,328.3 million in the quarter ended March 31, 2013 to P1,535.5 million in the quarter ended March 31, 2014. This was primarily due to the corresponding growth in revenue from real estate sales as well as increased in certain component of development costs.

Cost of services increased by 27.8% to P53.9 million for the quarter ended March 31, 2014 from P42.1 million in the quarter ended March 31, 2013. This was primarily due to corresponding growth in property management and other service fees.

Interest and other financing charges increased by 162.5% to P75.1 million for the quarter ended March 31, 2014 from P28.6 million for the 1st quarter of 2013. This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year.

Provision for income tax decreased by 5.2% to P202.7 million in the quarter ended March 31, 2014 from P214.1 million in the quarter ended March 31, 2013 as a result of lower taxable income during the period.

<u>REVIEW OF YEAR END 2013 VS YEAR END 2012</u>

RESULTS OF OPERATIONS

Real Estate

CPGI accounts for real estate revenue from completed housing and condominium units and lots using the full accrual method. The Company uses the percentage of completion method, on a unit by unit basis, to recognize income from sales where the Company has material obligations under the sales contract to complete after the property is sold. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally in relation to actual costs incurred to date over the total estimated costs. The Company typically requires payment of 20% to 50% of the total contract price, depending on the type of property being purchased, and buyers are given the duration of the construction period to complete such payment.

For the year ended December 31, 2013, the Company recorded revenue from real estate sales amounting to Php9,304.2 million and posted an increase of 8.4% from Php8,582.0 million in 2012. period of 2013. The increase was due to recognition of more real estate sales pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods. The Company also completed buildings both in Century City such as Knightsbridge Residences and turned over buildings in Azure Residences, including the Rio,and Santorini towers . Increased construction accomplishments of other Century City Towers such as Milano Residences, Centuria Medical Tower, Trump Tower Manila, Positano and Miami Buildings of Azure Project; Niagara, Sutherland, Dettifoss and Livingstone Buildings of Aqua Project also contributed to the growth in revenues. The Company also started recognizing real estate revenue from its Commonwealth buildings particularly Osmeña West, Quezon North and Osmeña East Towers.

Interest and Other Income

Interest and other income increased by 55.0% to Php1,250.5 million in the year ended December 31, 2013 from Php807.0 million in the year ended December 31, 2012. This increase was due primarily to non-cash accretion of unamortized discounts reflecting increased revenue from real estate sales, and forfeited collections, during the year.

Property Management Fee and Other Services

Property management fee and other services increased by 14.5% to Php254.4 million in the year ended December 31, 2013 from Php222.2 million in the year ended December 31, 2012. This increase was primarily due to additional buildings under management and management fee rate escalations for some of the projects under management ranging from 5% to 10%. The number of buildings under management as of December 31, 2013 is 55 from 51 as of December 31, 2012.

Costs and Expenses

Cost and expenses increased by 13.6% to Php8,091.9 million during 2013 from Php7,121.1 million for the year ended December 31, 2012.

- Cost of real estate sales increased by 16.7% from Php4,940.7 million in the year ended December 31, 2012 to Php5,766.9 million in the year ended December 31, 2013. This was primarily due to the corresponding growth in revenue from real estate sales as well as increased cost of real estate sales.

- Cost of services increased by 17.8% to Php185.6 million for the year ended December 31, 2013 from Php157.6 million in the year ended December 31, 2012. This was primarily due to corresponding growth in property management and other service fees.

- General, administrative and selling expenses increased by 4.2% to Php2,041.8 million in the year ended December 31, 2013 from Php1,960.3 million in the year ended December 31,

2012. The increase was primarily due to increased amortization of deferred marketing expenses given more projects are undergoing construction and development.

- Interest and other financing charges increased by 55.9% to Php97.5 million for the year ended December 31, 2013 from Php62.5 million for 2012. This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year.

Provision for Income Tax

Provision for income tax increased by 36.3% to Php872.5 million in the year ended December 31, 2013 from Php640.2 million in the year ended December 31, 2012. The increase was primarily due to collections on new sales during the period as well as from amortization of accounts sold in previous year The Company also excluded certain expenses for income tax deductibility purposes, pending compliance with withholding tax requirements as mandated by BIR.

Net Income

As a result of the foregoing, net income slightly decreased by 0.3% to Php1,844.7 million for the year ended December 31, 2013 from Php1,849.8 million in the year ended December 31, 2012.

FINANCIAL CONDITION

As of December 31, 2013 vs. December 31, 2012

Total assets as of December 31, 2013 were Php26,166.0 million compared to Php18,556.5 million as of December 31, 2012, or a 41.0% increase. This was due to the following:

- Cash and cash equivalents increased by Php537.0 million from Php901.8 million as of December 31, 2012 to Php1,438.9 million as of December 31, 2013 primarily due to receipt of proceeds from the Placing and Subscription Transaction and availment of credit facilities. The Company's cash flow from operations also improved given the collection of turnover balances from completed projects.

- Receivables increased by 34.1% from Php6,779.7 million as of December 31, 2012 to Php9,093.8 million as of December 31, 2013 due to the revenue recognized during for the period pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods.

- During the year ended December 31, 2013, Real estate inventories increased by 77.8% from Php3,951.8 million to Php7,026.9 million due to project development and transfer of cost of land for one Acqua building previously classified as land held for future development.

- Land held for future development decreased by 61.0% or Php730.1 million during 2013 due to transfer of the cost land previously classified as land held for future development into real estate inventories and investment properties.

- Investment properties posted an increase of 112.5% to Php4,080.8 million as of December 31, 2013 as compared to Php1,920.1 million as of December 31, 2012 primarily due to completion of Century City Lifestyle Center.

Total liabilities as of December 31, 2013 were Php14,731.0 million compared to Php10,315.5 million as of December 31, 2012, or a 42.8% increase. This was due to the following:

- Accounts and other payables increased by 61.4% from Php2,869.0 million as of December 31, 2012 to Php4,629.1 million as of December 31, 2013 due to accruals made at the end of the year.

- Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, syndicated loans, and bi-lateral term loans, increased by 65.0% from Php3,661.0 million as of December 31, 2012 to Php6,039.1 million as of December 31, 2013 due to draw down or availments made during the year.

- Pension liabilities increased by 54.5% from Php92.4 million as of December 31, 2012 to Php142.7 million as of December 31, 2013 as a result of actuarial valuation at the end of the year.

- Income tax payable decreased by 94.1% from Php98.1 million as of December 31, 2012 to Php5.8 million as of December 31, 2013 primarily due to payment of income tax dues during the first three quarters of the year.

Total stockholder's equity net increased by 38.8% to Php11,435.0 million as of December 31, 2013 from Php8,241.0 million as of December 31, 2012 due to issuance of new shares and the net income recorded for the year ended December 31, 2013.

Below is a table showing the key performance indicators of the Company for 2011, 2012 and 2013.

	As of December 31		
	2013	**2012**	**2011**
Current Ratio	**2.0x**	**2.5x**	**1.8x**
Debt to Equity Ratio	**0.5x**	**0.4x**	**0.2x**
Total Liabilities to Total Equity Ratio	**1.3x**	**1.3x**	**1.3x**
Asset to Equity Ratio	**2.3x**	**2.3x**	**2.3x**
	For the year ended December 31		
	2013	**2012**	**2011**
Return on Assets	**8.2%**	**12.9%**	**9.9%**
Return on Equity	**18.8%**	**29.4%**	**23.8%**
EBITDA	**2,810.0**	**2,602.6**	**1,353.2**
Net debt-to-equity ratio	**0.4x**	**0.3x**	**0.1x**

Notes:
1) Current ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity.
2) Debt to Equity ratio computed by dividing total interest-bearing debt by total equity
3) Asset to Equity ratio is total assets over total equity
4) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).
5) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).
6) Net debt-to-equity ratio is calculated as total interest-bearing debt minus cash and cash equivalents divided by total equity as of the end of the period.

Material Changes to the Company's Balance Sheet as of December 31, 2013 Compared to December 31, 2012 (increase/decrease of 5% or more)

Cash and cash equivalents increased by 59.6% or Php537.0 million from Php901.8 million as of December 31, 2012 to Php1,438.9 million as of December 31, 2013 primarily due to receipt of proceeds from the Placing and Subscription Transaction and availment of credit facilities. The Company's cash flow from operations also improved given the collection of turnover balances from completed projects.

Receivables increased by 34.1% from Php6,779.7 million as of December 31, 2012 to Php9,093.8 million as of December 31, 2013 due to the revenue recognized during for the period pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods.

During the year ended December 31, 2013, Real estate inventories increased by 77.8% from Php3,951.8 million to Php7,026.9 million due to project development and transfer of cost of land for one Acqua building previously classified as land held for future development.

Land held for future development decreased by 61.0% or Php730.1 million during 2013 due to the net effect of acquisitions made during the year and the transfer of the cost land previously classified as land held for future development into real estate inventories and investment properties.

Investment properties posted an increase of 112.5% to Php4,080.8 million as of December 31, 2013 as compared to Php1,920.1 million as of December 31, 2012 primarily due to completion of Century City Lifestyle Center.

Advances to suppliers and contractors increased by 42.1% to Php1,314.9 million as of December 31, 2013 from Php925.3 million as of December 31, 2012 primarily due to down payment subject to recoupment through progress billings.

Prepayments and other current assets decreased by 32.2% from Php1,867.3 million to Php1,265.9 million due to application of advance payments made to land owners to purchase price of the acquired properties and application of input taxes against output VAT during the year ended December 31, 2013.

During the year, the Company invested Php48.8 million in A2 Global, Inc. and made deposits of Php154.5 million for land acquisitions. Both accounts increased by 100.0% for there were no payments made in 2012.

Available-for-sale financial assets increased by 19.5% from Php7.9 million as of December 31, 2012 to ₱9.5 million as of December 31, 2013.

As of December 31, 2013, intangible assets account increased by 549.1% to Php18.0 million from Php2.8 million as of December 31, 2012 due to acquisition of certain software and trademarks.

Other non-current assets increased by 39.2% from Php544.7 million as of December 31, 2012 to Php758.1 million as of December 31, 2013 due to rentals and other security deposits made during the year as well non-current portion of deferred marketing expenses for newly launched projects with no percentage-of-completion as of December 31, 2013.

Accounts and other payables increased by 61.4% from Php2,869.0 million as of December 31, 2012 to Php4,629.1 million as of December 31, 2013 due to accruals made at the end of the year.

Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, syndicated loans, and bi-lateral term loans, increased by 65.0% from Php3,661.0 million as of December 31, 2012 to Php6,039.1 million as of December 31, 2013 due to draw down or availments made during the year.

Pension liabilities increased by 54.5% from Php92.4 million as of December 31, 2012 to Php142.7 million as of December 31, 2013 as a result of actuarial valuation at the end of the year.

Income tax payable decreased by 94.1% from Php98.1 million as of December 31, 2012 to Php5.8 million as of December 31, 2013 primarily due to payment of income tax dues during the first three quarters of the year.

Deferred tax liabilities (net of deferred tax assets) increased by 41.6% from Php1.062.2 million as of December 31, 2012 to Php1,504.1 million as of December 31, 2013 due to additional future taxable items during the year.

Total stockholder’s equity net increased by 38.8% to Php11,435.0 million as of December 31, 2013 from Php8,241.0 million as of December 31, 2012 due to issuance of new shares and the net income recorded for the year ended December 31, 2013.

Material Changes to the Company’s Statement of Income for the Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012 (Increase/Decrease of 5% or More)

Revenue from real estate sales increased by 8.4% from Php8,582.0 million in 2012 to Php9,304.2 million in 2013. period of 2013. The increase was due to recognition of more real estate sales pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods. The Company also completed buildings both in Century City such as Knightsbridge Residences and turned over buildings in Azure Residences, including the Rio,and Santorini towers . Increased construction accomplishments of other Century City Towers such as Milano Residences, Centuria Medical Tower, Trump Tower Manila, Positano and Miami Buildings of Azure Project; Niagara, Sutherland, Dettifoss and Livingstone Buildings of Aqua Project also established the growth in revenues. The Company also started recognizing real estate revenue from Commonwealth buildings particularly Osmeña West, Quezon North and Osmeña East Towers.

Property management fee and other services increased by 14.5% to Php254.4 million in the year ended December 31, 2013 from Php222.2 million in the year ended December 31, 2012. This increase was primarily due to additional buildings under management and management fee rate escalations for some of the projects under management ranging from 5% to 10%. The number of buildings under management as of December 31, 2013 is 55 from 51 as of December 31, 2012.

Interest and other income increased by 55.0% to Php1,250.5 million in the year ended December 31, 2013 from Php807.0 million in the year ended December 31, 2012. This increase was due primarily to non-cash accretion of unamortized discounts reflecting increased revenue from real estate sales, and forfeited collections, during the year

Cost of real estate sales increased by 16.7% from Php4,940.7 million in the year ended December 31, 2012 to Php5,766.9 million in the year ended December 31, 2013. This was primarily due to the corresponding growth in revenue from real estate sales and increased in cost of real estate sales.

Cost of services increased by 17.8% to Php185.6 million for the year ended December 31, 2013 from ₱157.6 million in the year ended December 31, 2012. This was primarily due to corresponding growth in property management and other service fees.

Interest and other financing charges increased by 55.9% to Php97.5 million for the year ended December 31, 2013 from Php62.5 million for 2012. This was primarily due to bank fees and other charges paid other than capitalized borrowing costs during the year.

Provision for income tax increased by 36.3% to Php872.5 million in the year ended December 31, 2013 from Php640.2 million in the year ended December 31, 2012. The increase was primarily due to collections on new sales during the period as well as from amortization of accounts sold in previous year.

REVIEW OF YEAR END 2012 VS YEAR END 2011

RESULTS OF OPERATIONS

Real Estate

The Company accounts for real estate revenue from completed housing and condominium units and lots using the full accrual method. The Company uses the percentage of completion method, on a unit by unit basis, to recognize income from sales where the Company has material obligations under the sales contract to complete after the property is sold. Under this method, revenue is recognize as the related obligations are fulfilled, measured principally in relation to actual costs incurred to date over the total estimated costs. The Company typically requires payment of 20% to 50% of the total contract price, depending on the type of property being purchased, and buyers are given the duration of the construction period to complete such payment.

The Company recorded revenue from real estate sales amounting to Php8,582.0 million in the year ended December 31, 2012, an increase of 128.2% from Php3,760.5 million in the same period last year. period of 2013. The increase was due to recognition of more real estate sales pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods. The Company also completed The Gramercy Residences and increased construction accomplishments of The Knightsbridge Residences, The Trump Tower Manila, The Milano Residences, Centuria Medial Building, and the Rio, Santorini and St. Tropez Buildings in Azure Urban Resort Residences, the Niagara and Sutherland Buildings of Acqua Private Residences, and Canyon Ranch.

Interest and Other Income

Interest and other income increased by 7.5% to Php807.0 million in the year ended December 31, 2012 from Php750.3 million in the year ended December 31, 2011. This increase was due primarily to non-cash accretion of unamortized discounts reflecting increased revenue from real estate sales during the year and the increase in earnings from excess funds.

Property Management Fee and Other Services

Property management fee and other services increased by 16.0% to Php222.2 million in the year ended December 31, 2012 from Php191.6 million in the year ended December 31, 2011. This increase was primarily due to management fee rate escalations for some of the projects under management ranging from 5% to 10%. The number of buildings under management as of December 31, 2012 is 51.

Costs and Expenses

Cost and expenses increased by 106.1% to Php7,121.1 million during 2012 from Php3,455.2 million for the year ended December 31, 2011.

- Cost of real estate sales increased by 102.1% from Php2,444.3 million in the year ended December 31, 2011 to Php4,940.7 million in the year ended December 31, 2012. This was primarily due to the corresponding growth in revenue from real estate sales.

- Cost of services increased by 11.2% to Php157.6 million for the year ended December 31, 2012 from Php141.7 million in the year ended December 31, 2011. This was primarily due to corresponding growth in property management and other service fees.

- General, administrative and selling expenses increased by 146.8% to Php1,960.3 million in the year ended December 31, 2012 from Php794.3 million in the year ended December 31, 2011. The increase was primarily due to amortization of deferred marketing expenses of launched projects with no percentage-of-completion as of December 31, 2011 and those incurred by the projects during 2012.

- Interest and other financing charges decreased by 16.4% to Php62.5 million for the year ended December 31, 2012 from Php74.8 million for 2011. This was primarily due to capitalization of borrowing costs during the year.

Provision for Income Tax

Provision for income tax increased by 68.0% to Php640.2 million in the year ended December 31, 2012 from Php381.1 million in the year ended December 31, 2011. The increase was primarily due to collections on new sales during the period as well as from amortization of accounts sold in previous year.

Net Income

As a result of the foregoing, net income increased by 113.5% to Php1,849.8 million for the year ended December 31, 2012 from Php866.2 million in the year ended December 31, 2011.

FINANCIAL CONDITION

As of December 31, 2012 vs. December 31, 2011

Total assets as of December 31, 2012 were Php18,556.5 million compared to Php10,033.0 million as of December 31, 2011, or a 85.0% increase. This was due to the following:

- Cash and cash equivalents increased by Php535.2 million from Php366.6 million as of December 31, 2011 to Php901.8 million as of December 31, 2012 primarily due to receipt of proceeds from the Placing and Subscription Transaction and customers' advances and deposits and increase in availment of credit facilities.

- Receivables increased by 243.3% from Php1,974.6 million as of December 31, 2011 to Php6,779.3 million as of December 31, 2012 million due to the revenue recognized during for the period pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods.

- During the year ended December 31, 2012, Real estate inventories increased by 154.5% from ₱1,552.9 million to ₱3,951.8 million due to project development and transfer of cost of land for four Acqua buildings previously classified as land held for future development.

Total liabilities as of December 31, 2012 were ₱10,315.5 million compared to ₱5,710.2 million as of December 31, 2011, or a 80.6% increase. This was due to the following:

- Accounts and other payables increased by 196.2% from ₱968.4 million as of December 31, 2011 to ₱2,869.0 million as of December 31, 2012 due to accruals made at the end of the year.

- Customers' advances and deposits decreased by 16.2% from ₱2,730.6 million to ₱2,288.4 million representing collections from customers which met the revenue recognition criteria as of end of the year.

- Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, increased by 314.8% from ₱882.5 million as of December 31, 2011 to ₱3,661.0 million as of December 31, 2012 due to draw down or availments made during the year.

- Liabilities for purchased land decreased by 63.9% from ₱85.2 million as of December 31, 2011 to ₱30.7 million as of December 31, 2012 due to payments made during the period.

- Income tax payable decreased by 34.2% from ₱149.0 million as of December 31, 2011 to ₱98.1 million as of December 31, 2012 primarily due to higher taxable income during the full year 2011 as compared to the year ended December 31, 2012.

Total stockholder's equity net increased by 90.6% to ₱8,241.0 million as of December 31, 2012 from ₱4,322.8 million as of December 31, 2011 due to issuance of new shares and the net income recorded for the year ended December 31, 2012.

Below is a table showing the key performance indicators of the Company for 2010, 2011 and 2012.

	As of December 31		
	2012	2011	2010
Current Ratio	2.5x	1.8x	1.3x
Debt to Equity Ratio	0.4x	0.2x	0.4x
Total Liabilities to Total Equity Ratio	1.3x	1.3x	1.6x
Asset to Equity Ratio	2.3x	2.3x	2.6x
	For the year ended December 31		
	2012	2011	2010
Return on Assets	12.9%	9.9%	2.7%
Return on Equity	29.4%	23.8%	6.6%
EBITDA	2,602.6	1,353.2	369.8
Net debt-to-equity ratio	0.3x	0.1x	0.3x

Notes:
1) Current ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity.
2) Debt to Equity ratio computed by dividing total interest-bearing debt by total equity
3) Asset to Equity ratio is total assets over total equity
4) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).
5) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).
6) Net debt-to-equity ratio is calculated as total interest-bearing debt minus cash and cash equivalents divided by total equity as of the end of the period.

Material Changes to the Company's Balance Sheet as of December 31, 2012 Compared to December 31, 2011 (Increase/Decrease of 5% or More)

Cash and cash equivalents increased by 146.0% or Php535.2 million from Php366.6 million as of December 31, 2011 to Php901.8 million as of December 31, 2012 primarily due to receipt of proceeds from the Placing and Subscription Transaction and customers' advances and deposits and increase in availment of credit facilities.

Receivables increased by 243.3% from Php1,974.6 million as of December 31, 2011 to Php6,779.7 million as of December 31, 2012 due to the revenue recognized during for the period pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods.

During the year ended December 31, 2012, Real estate inventories increased by 154.5% from Php1,552.9 million to Php3,951.8 million due to project development and transfer of cost of land for four Acqua buildings previously classified as land held for future development. As a result, land held for future development decreased by 8.4% or Php109.7 million.

Advances to suppliers and contractors decreased by 59.8% to ₱925.3 million as of December 31, 2012 from Php2,300.1 million as of December 31, 2011 primarily due to recoupment of down payment based on percentage of completion through progress billings.

Prepayments and other current assets increased by 193.0% from Php637.3 million to Php1,867.3 million due to advance payments made to land owners and deferral of certain marketing expenses of newly launched projects with no percentage-of-completion as of December 31, 2012.

Available-for-sale financial assets decreased by 20.7% from Php10.0 million as of December 31, 2011 to Php7.9 million as of December 31, 2012 after the Company disposed certain marketable securities.

Deferred tax liabilities (net of Deferred tax assets) increased by 92.1% from Php553.0 million as of December 31, 2011 to Php1,062.2 million as of December 31, 2012 due to additional future taxable items during the year.

Other non-current assets increased by 147.7% from Php219.9 million as of December 31, 2011 to Php544.7 million as of December 31, 2012 due to rentals and other security deposits made during the year.

Accounts and other payables increased by 196.2% from Php968.4 million as of December 31, 2011 to Php2,869.0 million as of December 31, 2012 due to accruals made at the end of the year.

Customers' advances and deposits decreased by 16.2% from Php2,730.6 million to Php2,288.4 million representing collections from customers which met the revenue recognition criteria as of end of the year.

Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, increased by 314.8% from Php882.5 million as of December 31, 2011 to Php3,661.0 million as of December 31, 2012 due to draw down or availments made during the year.

Liabilities for purchased land decreased by 63.9% from Php85.2 million as of December 31, 2011 to Php30.7 million as of December 31, 2012 due to payments made during the period.

Income tax payable decreased by 34.2% from Php149.0 million as of December 31, 2011 to Php98.1 million as of December 31, 2012 primarily due to higher taxable income during the full year 2011 as compared to the year ended December 31, 2012.

As of December 31, 2012, the Company's pension liabilities increased by 199.9% or Php61.6 million to Php92.4 million from Php30.8 million as of December 31, 2012. This was primarily to remeasurement of retirement obligation.

Total stockholder's equity net increased by 90.6% to Php8,241.0 million as of December 31, 2012 from Php4,322.8 million as of December 31, 2011 due to issuance of new shares and the net income recorded for the year ended December 31, 2012.

Material Changes to the Company's Statement of Income for the Year Ended December 31,2012 compared to the Year Ended December 31, 2011 (Increase/Decrease of 5% or more)

Real estate sales, posted an increase of 128.2% from Php3,760.5 million in 2011. period of 2013. The increase was due to recognition of more real estate sales pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods. The Company also completed The Gramercy Residences, and performed significant construction accomplishments of The Knightsbridge Residences,The Trump Tower Manila, The Milano Residences, Centuria Medial Building, and the Rio, Santorini, St. Tropez and Positano Buildings in Azure Urban Resort Residences, as well as Niagara and Sutherland Buildings of Acqua Private Residences.

Interest and other income increased by 7.5% to Php807.0 million in the year ended December 31, 2012 from Php750.3 million in the year ended December 31, 2011. This increase was due primarily to non-cash accretion of unamortized discounts reflecting increased revenue from real estate sales during the year and the increase in earnings from excess funds.

Property management fee and other services increased by 16.0% to Php222.2 million in the year ended December 31, 2012 from Php191.6 million in the year ended December 31, 2011. This increase was primarily due to management fee rate escalations for some of the projects under management ranging from 5% to 10%. The number of buildings under management as of December 31, 2012 is 51.

Cost of real estate sales increased by 102.1% from Php2,444.3 million in the year ended December 31, 2011 to Php4,940.7 million in the year ended December 31, 2012. This was primarily due to the corresponding growth in revenue from real estate sales.

Cost of services increased by 11.2% to Php157.6 million for the year ended December 31, 2012 from Php141.7 million in the year ended December 31, 2011. This was primarily due to corresponding growth in property management and other service fees.

General, administrative and selling expenses increased by 146.8% to Php1,960.3 million in the year ended December 31, 2012 from Php794.4 million in the year ended December 31, 2011. The increase was primarily due to amortization of deferred marketing expenses of launched projects with no percentage-of-completion as of December 31, 2011 and those incurred by the projects during 2012.

Interest and other financing charges decreased by 16.4% to Php62.5 million for the year ended December 31, 2012 from Php74.8 million for 2011. This was primarily due to capitalization of borrowing costs during the year.

Provision for income tax increased by 68.0% to Php640.2 million in the year ended December 31, 2012 from Php381.1 million in the year ended December 31, 2011. The increase was primarily due to collections on new sales during the period as well as from amortization of accounts sold in previous year.

As a result of the foregoing, net income increased by 113.5% to Php1,849.8 million for the year ended December 31, 2012 from Php866.2 million in the year ended December 31, 2011.

There are no other material changes in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company. The Subsidiaries are contingently liable for guarantees arising in the ordinary course of business, including surety bonds, letters of guarantee for performance and bonds for all its real estate projects.

The Company is contingently liable with respect to certain lawsuits or claims filed by third parties (substantially civil cases that are either pending decision by the courts or are under negotiation, the outcomes of which are not presently determinable). In the opinion of management and its legal counsels, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Company's financial position and results of operations.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Company’s liquidity in any material way. The Company sourced its capital requirements through a mix of internally generated cash and pre-selling. The Company does not expect any material cash requirements beyond the normal course of the business. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation except for those items disclosed in the 2011 Consolidated Financial Statements.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), or other relationships of the Company with unconsolidated entities or other persons created during the reporting period except those disclosed in the 2011 Consolidated Financial Statements.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

There are no explanatory comments on the seasonality of the operations. There are no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature; neither are there changes in estimates of amounts reported in a prior period of the current financial year.

DIRECTORS, EXECUTIVE OFFICERS, AND CONTROL PERSONS

Directors and Executive Officers

The directors of the Company are elected at the regular annual stockholders' meeting. They hold office for a term of one (1) year until the next succeeding annual meeting and until their respective successors have been elected and qualified. The executive officers hold office until their respective successors have been elected and qualified.

The directors and executive officers of the Company as of July 22, 2014 are as follows:

Name of Director	Position	Age	Nationality	Effective Date of Assignment
Jose E.B. Antonio	Chairman of the Board, President and CEO	67	Filipino	July 2011
John Victor R. Antonio	Director and Co. COO	41	Filipino	July 2011
Jose Marco R. Antonio	Director and Co. COO	40	Filipino	July 2011
Jose Roberto R. Antonio	Managing Director and Co. COO	37	Filipino	July 2011
Jose Carlo R. Antonio	Director and Chief Financial Officer	31	Filipino	July 2011
Ricardo Cuerva	Director	69	Filipino	July 2011
Rafael G. Yaptinchay	Director and Treasurer	64	Filipino	July 2011
Washington Z. Sycip	Independent Director	92	American	July 2011
Monico V. Jacob	Independent Director	68	Filipino	July 2011
Irene O. David	Corporate Secretary	37	Filipino	October 2013
Domie S. Eduvane	Senior Vice President for Legal and Corporate Affairs	49	Filipino	September 2011
Carlos Benedict K. Rivilla, IV	Assistant Vice President for Corporate Affairs and Assistant Corporate Secretary	42	Filipino	July 2011
Ramon S. Villanueva, III	Vice President for Accouting / Comptroller	33	Filipino	September 2011
Gerry Joseph Albert Ilagan	Vice President for Human Resources and Sales Management	34	Filipino	September 2011
Maria Theresa Fucanan – Yu	Vice President for Corporate Communications	34	Filipino	September 2011
Isabelita Ching-Sales	Chief Information Officer	34	Filipino	June 2014
Neko Lyree Uson – Cruz	Compliance Officer	43	Filipino	June 2008
Kristina I. Garcia	Director for Investor Relations	40	Filipino	July 2013
Erickson Y. Manzano	Senior Vice President / Development Director	42	Filipino	July 2013
Tim Hallett	Chief Operating Officer for Hospitality	54	British	January 2014
Rhoel Alberto Nolido	Business Unit Head	41	Filipino	January 2014
Paul Patrick M. Carague	Senior Vice President / Head of Risk Management and Decision Support Services	43	Filipino	June 2014

Mr. Jose E.B. Antonio, 67 years old, Filipino, is one of the founders and Chairman of the Company and its Subsidiaries. He graduated cum laude from San Beda College, Manila in 1966 with a Bachelor's Degree in Commercial Science (major in Marketing) and received a Masters Degree in Business Management in 1968 from Ateneo de Manila's Graduate School of Business. Chairman Antonio also graduated from Harvard University's Owner/President Management Program in 2003. Chairman Antonio served as the Philippines Special Envoy for Trade and Economics to the People's Republic of China in 2005 and is currently the Chairman of Century Asia Corporation, Prestige Cars, Inc. and Philtranco Service Enterprises. He is also the founder and Chairman of the Philippine-China Business Council

Inc. In addition, he serves as the Vice Chairman of Penta Pacific Realty Corporation and Subic Air Charter, Inc.

Mr. John Victor R. Antonio, 41 years old, Filipino, is Co-Chief Operating Officer and a Managing Director of the Company. He has been with the Company for 17 years and is involved in managing projects in the Company's middle income and affordable product lines, including Gramercy Residences and Azure Urban Residences. He graduated magna cum laude with a Bachelor's Degree in Economics (major in Marketing) from the University of Pennsylvania's Wharton School in 1993 and received his Masters Degree in Business Administration from the Wharton School in 2003.

Mr. Jose Marco R. Antonio, 40 years old, Filipino, is Co-Chief Operating Officer and a Managing Director of the Company. Prior to joining us, he worked at Blackstone Real Estate Partners as a financial analyst. He has been with the Company for 16 years and is involved in managing projects in the Company's middle income and affordable product lines, including Canyon Ranch, Knightsbridge Residences and Acqua Private Residences. He graduated summa cum laude with a Bachelor's Degree in Economics (dual major in Finance and Entrepreneurial Management) from the University of Pennsylvania's Wharton School in 1995 and received his Masters Degree in Business Administration from the Wharton School in 2004.

Mr. Jose Roberto R. Antonio, 37 years old, Filipino, is a Managing Director of the Company. He is involved in managing projects in the Company's luxury product line, including Milano Residences and Trump Tower Manila. He graduated with a Bachelor's Degree in Economics from Northwestern University and obtained his Masters Degree in Business Administration from Stanford University. He joined the Company in 2009 after spearheading Antonio Development in New York City, which developed the luxury condominium Centurion, located on 56th Street between 5th and 6th Avenue, steps from Central Park.

Mr. Jose Carlo R. Antonio, 31 years old, Filipino, is the CFO of the Company and a member of the Board. Prior to joining the Company in 2007, he worked in the investment banking groups of Citigroup and Goldman Sachs. He graduated magna cum laude with a Bachelor's Degree in Economics (major in Finance) from the University of Pennsylvania's Wharton School in 2005.

Mr. Ricardo Cuerva, 69 years old, Filipino, is a member of the Board. Mr. Cuerva was a co-founder of Meridien and served as Meridien's president from 1988 to 1996. He also currently serves as a member of the Rotary Club of Makati City. Mr. Cuerva graduated from San Beda College in 1961 with a Bachelor of Science Degree in Business Administration and obtained his Masters Degree in Business Administration from Ateneo De Manila in 1971. Mr. Cuerva is the President and owner of Century Project Management and Construction Corporation, which oversees the construction of the Company's vertical developments.

Mr. Rafael G. Yaptinchay, 64 years old, Filipino, is the Treasurer of the Company and a member of the Board. Mr. Yaptinchay was a co-founder of Meridien and served as Meridien's president from 1996 to 2009. He has previously served as the Assistant Treasurer and Head of Business Development/Corporate Planning of Philippine National Construction Corporation. Mr. Yaptinchay is a member of the Rotary Club of Ortigas and the Association of Asian Manager, Inc. Mr. Yaptinchay graduated from Ateneo de Manila University in 1971 with a Bachelor's Degree (major Economics) and received his Masters Degree in Business Administration from Asian Institute of Management in 1974.

Mr. Washington Z. Sycip, 92 years old, American and a resident of the Philippines, is the founder of the Asian Institute of Management and the founder of Sycip Gorres Velayo and

Company, a leading accounting firm in the Philippines. Mr. Sycip has received numerous awards in the field of accountancy and consultancy and is the recipient of the 1992 Ramon Magsaysay Award for International Understanding. He currently holds numerous advisory and consultancy commitments domestically and abroad and is also involved in many philanthropic projects. Mr. Sycip graduated summa cum laude from the University of Santo Tomas, Philippines with a Bachelor of Science Degree in Commerce and a Master of Science Degree in Commerce. Mr. Sycip also received a Master of Science Degree in Commerce from Columbia University.

Mr. Monico V. Jacob, 68 years old, Filipino, holds a Law Degree from the Ateneo de Manila University and a Bachelor of Arts Degree from Ateneo de Naga. He is currently the President and CEO of STI Education Services Group, PhilPlans First Inc. and Philhealth Care Inc. He is a member of the Board of Directors of Total Consolidated Asset Management, Inc., Jollibee Foods, Inc., Mindanao Energy and Phoenix Petroleum Philippines. Prior to his current appointments, Mr. Jacob was the General Manager of the National Housing Authority and CEO of the Pag-IBIG Fund. He was also Chairman and CEO of Petron Corporation, where he presided over its privatization. Mr. Jacob was also the Chairman and CEO of the Philippine National Oil Company ("PNOC") and all of its Subsidiaries. As CEO of the PNOC, he presided over the privatization of the PNOC Dockyard and Engineering Corporation. He has been heavily involved in corporate recovery work including rehabilitation receiverships and restructuring advisory in the following firms: The Uniwide Group of Companies, ASB Holdings, Inc., RAMCAR Group of Companies, Atlantic Gulf and Pacific Company of Manila, Inc., Petrochemicals Corporation of Asia-Pacific and All Asia Capital and Trust Corporation, now known as Advent Capital and Finance Corporation. Mr. Jacob was also a member of the Permanent Rehabilitation Receiver Committee of Philippine Airlines where he was active in policy formulation for corporate recovery.

Ms. Irene O. David, 37 years of age, Filipino, is the Corporate Secretary of the Company and one of the Associates of Divina Law Offices. Ms. David obtained her law degree with honors and graduated Cum Laude with a Bachelors degree in Legal Management from the University of Sto. Tomas. She has an extensive work experience in the field of banking, finance and corporate legal affairs. Ms. Irene was the Head of the Trust Legal section of the Metropolitan Bank and Trust Co prior to joining Divina Law.

Mr. Domie S. Eduvane, 49 years old, Filipino, is the Senior Vice-President for Legal and Corporate Affairs of the Company. He graduated magna cum laude from Far Eastern University, Manila with a Bachelor of Arts Degree in Economics and obtained his law degree from San Beda College of Law, Manila in 1994. Prior to joining the Company, he served as the Vice-President for Legal and Corporate Affairs and Human Resources for Empire East Properties, Inc., an affiliate of Megaworld Corporation. He also worked as Court Attorney with the Court of Appeals, Manila and was an Associate with Bengzon Zarraga Cudala Liwanag & Jimenez Law Offices as well as a Partner of Yrreverre Rondario & Associates Law Office.

Mr. Carlos Benedict K. Rivilla IV, 42 years old, Filipino, is the Assistant Vice-President for Corporate Affairs of the Company. As part of his experience in the business sector, he served as Corporate Compliance Officer and Vice-President for Finance in a corporation engaged in mass media for four years in Cebu City and also previously handled Corporate Affairs for the Company and served as Director and Corporate Secretary of various businesses in Makati City. Mr. Rivilla is a graduate of University of San Jose Recoletos. He joined the Company in 2007. Mr. Rivilla was appointed Assistant Corporate Secretary on August 17, 2011.

Mr. Ramon S. Villanueva, III, 33 years old, Filipino, is the Vice-President for Accounting and Comptroller of CPGI. He is a member of the Philippine Institute of Certified Public

Accountant since 2005 and placed 10th at the Licensure Examination for CPAs by the Philippine Board of Accountancy. Prior to joining CPGI in 2008, Mr. Villanueva was an Accounting Professor at Puerto Princesa City. He has gained solid experience in the audit of local companies in a wide range of industries including manufacturing, real estate and retail at Punongbayan & Araullo, a member firm of Grant Thorton International as a Senior Auditor. Mr. Villanueva obtained his degree in Accountancy from the Palawan State University.

Mr. Gerry Joseph Albert L. Ilagan, 34 years old, Filipino, is the Vice-President for Human Resources and Sales Management of the Company. He graduated with academic distinction from San Beda College with a Bachelor's Degree in Human Resources Development and Philosophy. He also attended De La Salle College of St. Benilde's School of Professional and Continuing Education where he received a diploma in Organizational Development and a diploma in Human Resources. He is a licensed Real Estate Broker with more than 10 years of human resources and sales management experience gained from several multinational and Philippine companies. Mr. Ilagan also worked with Sun Microsystems Philippines Inc. and Crown Asia Properties Inc. prior to joining the Company.

Ms. Maria Theresa Fucanan-Yu, 34 years old, Filipino, is the Vice-President for Corporate Communications of the Company. As part of her corporate background, she served as Assistant Vice-President and Public Relations Manager of the Company. Prior to joining the Company in 2007, she served as an editor and reporter for various sections of The Manila Times. Ms. Yu graduated cum laude with a Bachelor's Degree in Journalism from the University of Santo Tomas in 2001.

Ms. Isabelita Ching-Sales, 34 years old, serves as the Company's Chief Information Officer. Atty. Ching-Sales was the Chief Legal Counsel, Head for Credit Support, Chief Information Officer and Corporate Secretary of Asiatrust Development Bank where she worked for 5 years. She likewise worked as Head for Operations of China Banking Corporation's Acquired Assets Division. She graduated from the University of Sto. Tomas with a Bachelor's Degree in Legal Management and obtained her degree in Bachelor of Laws at San Sebastian College Recoletos Manila, Institute of Law and San Beda College of Law.

Ms. Neko Lyree U. Cruz, 43 years old, Filipino, is the Company's Compliance Officer. She also serves as the Corporate Information Officer of the Company. Prior to joining us, she was formerly a Marketing Assistant for Values Media Inc. and the United Coconut Planters Bank. She graduated from Assumption College with a Bachelor of Arts degree in Public Relations. Ms. Cruz was appointed Compliance Officer and Corporate Information Officer on November 27, 2008.

Ms. Kristina I. Garcia, 40 years old, Filipino, is Director for Investor Relations of CPGI. Before joining the Company, she subsequently headed the Investor Relations divisions at Alliance Global Group, Inc. and Megaworld Corporation. Prior to that, Ms. Garcia was with the tax services department Isla Lipana & Co./PricewaterhouseCoopers where she assisted multinational companies set-up operations in the Philippines and avail tax incentives.

Mr. Erickson Y. Manzano, 42 years old, Filipino, serves as Senior Vice President / Development Director of CPGI. Prior to joining CPGI in 2012, Mr. Manzano has worked for 20 years in the real estate industry in the fields of project development, corporate planning, construction management, and property management in the Country's biggest conglomerates. He graduated from the University of the Philippines with a Bachelor of Science degree in Civil Engineering. He later took his Masters of Science in Civil Engineering at De La Salle University, and his MBA, Major in Finance at the Asian Institute of Management, and spent his last semester as an exchange student to the Ivey Business School, University of Western Ontario.

Mr. Tim Hallett, 54years old, British, serves as the Company's COO for Hospitality. Mr. Hallett is an experienced Hospitality and Hospitality Real Estate professional, working at the leading edge of hospitality development, innovation and value creation with specific expertise Asian Pacific and emerging markets. Tim was the Managing Director of The Sinar Mas Group Hospitality Business based in Singapore, before joining the privately held Cinnovation Group or Companies as CEO to build out a multiple asset/brand Hospitality business that included Alila Hotels & Reports, Taj Asia Ltd, Taj Safaris and Zinc Hospitality. Prior to joining CPGI, Tim was one of the founding members of Silverneedle Hospitality a division of the Nadathur Group Family Investment Office, heading the Acquisition and Development business unit, instrumental in acquiring assets and hospitality missed use developments in Australia, Sri Lanka and Thailand. Mr. Hallet is a Hotel Management Graduate and gained his Master in Hospitality Real Estate from Cornell in 2004.

Mr. Rhoel Alberto Nolido, 41 years old, Filipino, is the Business Unit Head of CPGI. He has been in the real estate industry for the past 18 years. Mr. Nolido first started at Ayala Land, Inc. where he worked for 10 years handling project development. He eventually moved on as General Manager of Northpine Land for 5 years before he transferred to Eton Properties as a Senior Vice President for Business Management. He graduated from Ateneo de Manila University with a Bachelor of Science in Management degree and later took his MBA in Asian Institute of Management, Major in Finance.

Mr. Paul Patrick M. Carague, 43 years old, Filipino, serves as Senior Vice President / Head of Risk Management and Decision Support Services of CPGI. Prior to joining CPGI in 2014, Mr. Carague worked as a finance and risk management professional for over 18 years, eleven of which were spent working in the U.S. for notable companies like Capital One, and Freddie Mac. He graduated from Ateneo de Manila University with a Bachelor of Arts degree in Management Economics. He later took his MBA at Kellogg Graduate School of Management, with majors in Finance, Decision Sciences, and Management & Strategy. He was appointed as on officer of the Company on June 17, 2014.

All the directors and members of the senior management of the Company possess a high degree of integrity and character and are fully capable and able to perform their duties as directors and members of senior management, respectively.

As of December 31, 2013, the directors and key officers of the Company have no material pending civil or criminal cases filed by or against them.

From time to time, the Company and its Subsidiaries, its Board of Directors and Key Officers are subject to various civil, criminal and administrative lawsuits and other legal actions arising in the ordinary course of our business. Typical cases include adverse claims over title to land, claims for recovery of money and damages and claims for cancellations of sales agreements and refund of deposits. In the opinion of the Company's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material adverse effect on the Company's consolidated financial position and results of operations.

EXECUTIVE COMPENSATION

Information as to the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company's CEO and most highly compensated officers is as follows:

Name and Principal Position	Year	Salary (₱)	Bonus (₱)	Other Annual Compensation
Jose E.B. Antonio (President and CEO) Rafael G. Yaptinchay (Director and Treasurer) John Victor R. Antonio (Director and Co. COO) Jose Marco R. Antonio (Director and Co. COO) Jose Roberto R. Antonio (Director) Jose Carlo R. Antonio (Director and CFO)				
Aggregate executive compensation for CEO and Top 5 Most Highly Compensated Officers/Directors	Actual 2012 Actual 2013 Projected 2014	45.6 Million 46.6 Million 50.3 Million	None None None	None None None
Aggregate executive compensation all other officers unnamed	Actual 2012 Actual 2013 Projected 2014	16.9 Million 33.1 Million 49.6 Million	None 4.5 Million 6.4 Million	None None None

*After CEO and second most highly paid, the third to sixth officers receive equal compensation.

The Company does not have any standard arrangement or other arrangements with its directors and, as previously mentioned, the directors of the Company do not receive any compensation for acting in such capacity, except for the independent director who receives an honorarium at the end of the year, computed at the rate of Fifty Thousand Pesos (₱50,000.00) for every meeting actually attended. As regards the employment contracts between the Company and the executive officers, the Company employs the same standard employment contract applicable to all its officers and employees. The Company has not issued and/or granted stock warrants or options in favor of its officers and employees.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN RECORD AND BENEFICIAL OWNERS

Security Ownership of Certain Record and Beneficial Owners

As of May 31, 2014, the Company is aware of only three (3) stockholders owning in excess of 5% of its common stock to the extent set forth in the table below:

(1) Title of class	(2) Name, address of record owner and relationship with issuer	(3) Name of Beneficial Owner and Relationship with Record Owner	(4) Citizenship	(5) No. of Shares Held	(6) Percent
Common	Century Properties Inc. ("CPI") 21st Floor, Pacific Star Building Sen Gil Puyat Ave., Makati City (relationship with issuer – CPI is the Parent Company of CPGI)	CPI[1]	Filipino	6,469,965,032	66.8%
	PCD Nominee Corporation (Filipino) G/F Phil Stock Exchange Bldg., Makati (relationship with issuer – None)	PCD Fil[2]	Filipino	1,076,852,011	11.1%
	PCD Nominee Corporation G/F Phil Stock Exchange Bldg. Makati (relationship with issuer – None)	PCD Non-Fil[3]	Others	2,134,594,911	22.0%

***PCD Nomine Corporation non-Filipino has a total shares of 2,134,594,911 or 22.007% of the outstanding capital stock– beneficial owners owning 5% or more as of May 31, 2014. The following are the PCD participants with shareholdings of around 5% or more:

Deutsche Bank 6756 Ayala Avenue Makati City	1,492,473,491 shares	15.409%
The Hongkong and Shanghai Banking Corp Ltd Makati City, Makati	400,635,000 shares	4.136%

[1]The total shareholding of CPI consists of directly issued shares for 6,194,723,057 (certificated) and 275,241,975 (scripless) shares lodged with Ventures Capital.

[2]PCD Nominee Corporation (Filipino) is a beneficial stockholder of CPGI held by accredited brokers and institutions.

[3]PCD Nominee Corporation (Non-Filipino) is a beneficial stockholder of CPGI held by accredited brokers and institutions.

Security Ownership of Management

The amount and nature of the ownership of the Company's shares by the Company's directors and officers, as of May 31, 2014, are set forth in the table below.

(1) Title of class	(2) Name of beneficial Owner	(3) Amount and nature of beneficial ownership	(4) Citizenship	(5) Percent of Class
Common	Jose E. B. Antonio	1 – Direct	Filipino	0.000000028%
Common	Jose Victor R. Antonio	1 – Direct	Filipino	0.000000028%
Common	Jose Marco R. Antonio	1 – Direct	Filipino	0.000000028%
Common	Jose Roberto R. Antonio	1 – Direct	Filipino	0.000000028%
Common	Ricardo P. Cuerva	1 – Direct	Filipino	0.000000028%
Common	Rafael G. Yaptinchay	1 – Direct	Filipino	0.000000028%
Common	Washington Z. Sycip	1 – Direct	American	0.000000028%
Common	Monico V. Jacob	1 – Direct	Filipino	0.000000028%
Common	Jose Carlo R. Antonio	1 – Direct	Filipino	0.000000028%
Common	Irene O. David	none	Filipino	0.0000000%
Common	Domie S. Eduvane	none	Filipino	0.0000000%
Common	Carlos Benedict K. Rivilla, IV	none	Filipino	0.0000000%
Common	Ramon S. Villanueva III	none	Filipino	0.0000000%
Common	Gerry Joseph Ilagan	none	Filipino	0.0000000%
Common	Maria Theresa Fucanan- Yu	none	Filipino	0.0000000%
Common	Neko Lyree Uson –Cruz	none	Filipino	0.0000000%
Common	Kristina I. Garcia	none	Filipino	0.0000000%
Common	Erickson Y. Manzano	none	Filipino	0.0000000%
Common	Tim Hallett	none	British	0.0000000%
Common	Rhoel Alberto Nolido	none	Filipino	0.0000000%
Common	**Aggregate shareholding of all directors and officers as a group**	**9**		

VOTING TRUST HOLDERS OF 5.0% OR MORE

As of December 31, 2013, the Company is not aware of any person who holds more than 5% of its common shares of stock under a voting trust or similar agreement, aside from those listed in the "Security Ownership of Certain Record and Beneficial Owners" found on page 162.

CHANGES IN CONTROL

On May 31, 2011, the Company has been made aware that El Paso Philippines Energy Company, Inc.'s ("EPPECI") entered into an agreement with Century Properties, Inc. ("CPI"), providing for the terms and conditions for the purchase by CPI of EPPECI's 284,250,000 issued and outstanding fully-paid and preferred shares of stocks of EPHE and 67,096,092 issued and outstanding fully-paid common shares of stock in the Company, which will thereby effect a change in the ownership and control of the Company.

On July 11, 2011, the Company further disclosed that CPI has commenced a negotiated purchase thru a Deed of Assignment of Shares of Stock dated May 31, 2011 with EPPECI for the following acquisitions: (1) 67,096,092 common shares ("Public Sale Shares") of the Company equivalent to 1.888% of the Company and (2) 284,250,000 common and preferred shares ("Private Sale Shares") of EPHE resulting to an indirect acquisition of equivalent to 91.695% of the total issued and outstanding capital stock of the Company. The purchase price for the Public and Private Sale Shares amounts to a total consideration of

Php127,406,794.31 (the "Private Sale Consideration") allocated as follows: Php2,569,732.51 for the Public Sale Shares and Php124,837,061.80 for the Private Sale Shares.

On the same date, CPI and the Company executed and signed two (2) Deeds of Assignment of Shares of Stock effectively superseding the May 31, 2011 Deed of Assignment to finally close the above-mentioned acquisitions (1) Public Sale Shares and (2) Private Sale Shares. The July 11, 2011 Deeds of Assignment contained the same terms and conditions as stated in the May 31, 2011 Deed of Assignment thereby effecting a change in the ownership and control of the Company.

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES, INCLUDING RECENT ISSUANCE OFSECURITIES CONSTITUTING AN EXEMPT TRANSACTION

On March 05, 2013, the Company entered into a Placement and Subscription transaction with its CPI, wherein CPI sold 800,000,000 million shares of stock in CPGI to investors ("Placing Transaction") and subscribe for an additional 800,000,000 CPGI shares ("Subscription Transaction") of stock at closing date on March 11, 2013.

On February 20, 2012, CPI closed a Placing and Subscription Transaction wherein it sold 1,333,333,000 shares of stock in CPGI to new investors ("Placing Tranche") at a price of P1.75 per share. Concurrently, it used the gross proceeds from the Placing Tranche, totaling Two Billion Three Hundred Thirty-Three Million, Three Hundred Thirty-Two Thousand Seven Hundred Fifty (Php2,333,332,750) to re-subscribe to new 1,333,333,000 shares of stock in CPGI ("Subscription Tranche").

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Family Relationships

Except for Messrs. Jose E.B. Antonio, John Victor R. Antonio, Jose Marco R. Antonio, Jose Roberto R. Antonio and Jose Carlo R. Antonio, none of the above indicated Directors and Senior Officers are bound by any familial relationships with one another up to the fourth civil degree, either by consanguinity or affinity.

Messrs. John Victor R. Antonio, Jose Marco R. Antonio, Jose Roberto R. Antonio and Jose Carlo R. Antonio are brothers while Mr. Jose E.B. Antonio is their father.

A complete description and the balances of the related party transactions are outlined in notes of the accompanying consolidated financial statements.

DESCRIPTION OF DEBT

As of March 31, 2014, CPGI had the equivalent of ₱12.25 billion of approved credit facilities, of which ₱6.5 billion is outstanding.

The following table describes the consolidated outstanding long and short-term debt of CPGI and its subsidiaries as of March 31, 2014.

Description of Indebtedness	Borrower	Lender	Original Principal Amount (In ₱ Million)	Maturity / Due Date	Amount Outstanding as of 3/31/2014 (In ₱ Million)
Term Loan					
Term Loan	CCDC	Banco de Oro	150	Jan. 2016	150
Term Loan	CCDC	Banco de Oro	650	Nov. 2017	650
Term Loan	CCDC	Banco de Oro	500	Apr. 2019	150
Term Loan	CLC	DBP	500	Dec. 2014	404
Term Loan	CLC	DBP	500	Sep. 2015	222
Term Loan	CPGI	Philtrust	60	Sep. 2017	53
Term Loan	CLC	Standard Chartered	500	May 2015	400
Syndicated Loan	CPGI	Standard Chartered (lead lender and arranger)	4,200[1]	Jul. 2018	2,409
Promissory Note	CPMI	BPI	5	Jun 2015	5
Sub-total			***7,065***		***4,443***
Contract-To-Sell Financing					
Contract-To-Sell Financing	CLC	Cocolife	1,100	Oct. 2017	803
Contract-To-Sell Financing	CLC	Planters	1,000	Feb. 2015	367
Post Dated Check Discounting	CLC	Optimum Bank	50	Jul. 2014	47
Post Dated Check Discounting	CPGI	Philtrust	70	May 2014	6
Sub-total			***2,220***		***1,223***
Subordinated Secured Loan	CCDC	Golden First Century	1,300[2]	5 years from drawdown	0
Sub-total			***1,300***		

Letter of Credit / Trust Receipt					
Letter of Credit / Trust Receipt	CCDC	Banco de Oro	100	Oct. 2014	44
Letter of Credit / Trust Receipt	CCDC	Banco de Oro	50	Oct. 2014	25
Letter of Credit / Trust Receipt	CLC	DBP	100	Jul. 2014	3
Letter of Credit / Trust Receipt	CCDC/CLC	HSBC	495[3]	Oct. 2015	111
Letter of Credit / Trust Receipt	CPGI	Philtrust	370	Jun. 2017	225
Letter of Credit / Trust Receipt	CLC	UCPB	500	Various	316
Sub-total			***1615***		***724***
Leasing Facility					
Leasing Facility	CCDC	BDO Leasing and Finance	50	Various (2016 to 2018)	58[4]
Sub-total			***50***		***58***
Grand Total			**12,250**		**6,448**

[1]Of the total syndicated loan facility, 68% is US$-denominated

[2] Based on a $30 million loan, and a USD to PHP foreign exchange rate of 43.76 as of June 13, 2014. Please refer to the disclosure in "*Recent Transactions*" below

[3]Peso equivalent of US$11 million Combined Limit under the facility converted at Php44.996 per US$ as of end-March 2014. This amount excludes the US$1 million Combined Treasury Limits.

[4]The outstanding balance includes an Php18 million guaranty deposit.

The Company currently avails of four main types of credit facilities namely term loan, Contract-To-Sell Financing, Letter of Credit / Trust Receipt, and Leasing Facility.

The Company's term loan facilities granted by various financial institutions are paid back from profits of the business, according to a fixed amortization schedule. The Company's term loans are secured by real estate mortgage, chattel mortgage, corporate guaranty and assignment of leasehold rental. The Company has availed of term loans with maturity ranging from more than one (1) year up to five (5) years, for additional working capital, and for the development of certain projects.

Syndicated Credit Facility is provided by a group of Lenders arranged or underwritten, administered and structured by another financial institution. Like most business loans, this type of Credit Facility contain both affirmative and restrictive covenants that impose certain conditions on the borrower that permit acceleration of the maturity if the loan conditions are violated. The Company has availed of a Secured Syndicated Term Loan Facility with scheduled repayments for a fixed term of five (5) years for the purpose partially financing the construction and development of various projects.

Contract-to-Sell financing are credit facilities extended by financial institutions which purchase accounts receivables of the Company covered by Contracts to Sell of buyers of units from various projects, both on a with and withour recourse basis.

Letter of Credit / Trust Receipts (LCTRs) is a type of financing extended by various banks to finance purchases mainly of construction materials for the Company's projects like cement and rebars from various suppliers. The banks essentially pay the Company's suppliers then require the Company to execute trust receipts over the goods purchased.

A bank has also extended a leasing facility to the Company for the purpose of renting equipment and vehicles used in the conduct of business. Under this facility, a lease guarantees the Company (the lessee or renter) the use of various equipment and vehicles and guarantees the bank (the property owner) regular payments from the Company for a specific period.

RECENT TRANSACTION

On June 13, 2014, CCDC signed a US$30 million secured facility agreement with Golden First Century Pte Ltd., a company affiliated with Phoenix Property Investors ("Phoenix"). Proceeds from this facility shall be used to partly finance Century Spire, a mixed use residential and office development located in Century City Makati.

Phoenix is one of the world's largest private equity real estate fund managers with approximately US$4.7 billion of assets managed and/or under management. Phoenix invests on behalf of some of the world's leading institutional investors and its portfolio consists mainly of multi-residential developments, retail and office properties in key gateway cities across Asia. Phoenix has offices in Hong Kong, Shanghai, Singapore, Taipei and Tokyo. Phoenix is a registered investment adviser with the U.S. Securities and Exchange Commission.

CORPORATE GOVERNANCE

Evaluation System to Measure or Determine Level of Compliance with the Manual of Corporate Governance

The Company has undertaken constant self-rating assessment (SRA) and performance evaluation exercises in relations to its corporate governance policies both for the purpose of monitoring compliance and instilling deeper awareness and observance by the Company's Board of Directors and top-level management.

Measures Undertaken to Comply with Leading Practices

The Compliance Officer has been tasked to keep abreast of such developments and to constantly disseminate relevant information in this regard.

Deviations from the Manual on Corporate Governance

No deviation has been noted to date.

Plans to Improve Company's Corporate Governance

Possible improvement in the Company's corporate governance policies and practices are being constantly studied and reviewed. The Company undertakes to comply with all SEC and PSE mandated corporate governance revisions and memorandums.

For 2013, the Company's submitted to the SEC the certification of compliance on corporate governance and the Annual Corporate Governance Report (ACGR). CPGI has also complied with the memorandum circular of the PSE on the submission of the corporate governance Guidelines for listed corporations. Changes were implemented on the company's website to improve its corporate governance section and the monitoring of updates and disclosures.

FINANCIAL STATEMENTS

Annex A: Audited Consolidated Financial (Statements as of December 31, 2013, 2012 and 2011 and for the years ended December 31, 2013, 2012, and 2011 and Reviewed Interim Condensed Consolidated Financial Statements as of March 31, 2014 and for the three months ended March 31, 2014.